



IN THE TABLOID

THE PRINCESS
AND THE
PLAYBOY



IN THE TABLOID: STYLE
ON HOLIDAY
WITH THE
FASHION PACK



TABLOID PAGE 8

WIN A JAZZO
DINNER PARTY
IN YOUR HOME



TELEPHONE
ENTRY ONLY

Soccer
stars
cleared
over
match
fixing
charges

Michael Streeter

The football authorities last night announced a high-powered inquiry into betting and match-fixing in the game after a jury cleared four defendants, including footballers John Fashanu and Bruce Grobbelaar, of a conspiracy to fix Premier League matches.

As three of the accused walked free - Grobbelaar, the former Liverpool goalkeeper, still faces a separate match-fixing charge - it was announced that the former Deputy Commissioner of the Metropolitan Police, Sir John Smith, had already started the urgent investigation.

David Davies, the Football Association's public affairs spokesman said: "Sir John will be reporting speedily - certainly within three months - to the chief executive."

The verdict - in a 45-day trial after another jury failed to agree earlier this year - had come as a huge relief for the football authorities after the match-fixing allegations had threatened to engulf the sport in its worst scandal this century.

The jury of six women and five men at Winchester Crown Court found Fashanu, 34, who used to play for Wimbledon, Grobbelaar, 39, ex-Wimbledon goalkeeper Hans Segers, 35, and Malaysian businessman Heng Suan Lim, 32, not guilty of conspiracy to give and accept corrupt payments to influence the results of football matches on behalf of a Far Eastern betting syndicate. The jury accepted the defendants' claims they were involved in match-fixing, not fixing.

It will continue its deliberations this morning on whether Grobbelaar is guilty of accepting £2,000 from his former business partner, Christopher Vincent, to fix matches for a separate - and fictional - syndicate.



Hans Segers and wife Astrid (top) celebrate yesterday. He was cleared of all charges in the match-fixing trial. Ex-Aston Villa player John Fashanu (above) kisses his wife, Melissa. Photographs: Mike Stephens/PA, Kieran Doherty/Reuters

The fourth mortgage rise under Labour

Diane Coyle
Economics Editor

Increases in repayments on a variable rate mortgage since the general election in the cost of mortgages after the Bank of England announced a quarter point increase in interest rates to 7 per cent yesterday.

Employers' organisations and trade unions spoke with one voice in condemning the Bank's move, saying that high interest rates were keeping the pound too strong and damaging industry.

This is the last thing Britain's exporters and their suppliers need at this time," said Ian Peters, of the British Chambers of Commerce, describing the decision as a "body-blow".

The foreign exchange and stock markets, however, responded positively to a strong hint in the statement from the Monetary Policy Committee that there would be no more interest rate rises in the near future. They fell sharply on the foreign exchanges, leading to a 10 pence drop against the German mark in two days.

The financial markets were delighted that the Bank had managed to trim the exchange rate, sending share prices leaping to another new record yesterday. The FTSE 100 index climbed 61 points to 5,086.8, and has gained 14 per cent since the election. "The Bank of England is to be commended for some pretty nifty footwork here," said Roger Bootle, chief economist at City of London bank HSBC Markets.

The Bank's statement yesterday said: "Upward pressure on the exchange rate should be reduced by the perception that

The cost to mortgages

Increases in repayments on a variable rate mortgage since the general election.

Mortgage	1 May	today
£50,000	£398.46	£373.77
£100,000	£704.90	£778.21
£150,000	£1069.73	£1184.85
£200,000	£1435.36	£1590.09

interest rates have reached a level consistent with the inflation target."

It acknowledged that the strong pound had put exporters under "severe pressure". The unexpectedly clear signal led some City experts to predict that interest rates will not need to climb any higher unless there was new evidence of the consumer boom picking up more steam.

Despite the success of the Bank's efforts to weaken the pound, it came in for harsh criticism. Kit Barker, chief economist of the Confederation of British Industry, said: "The CBI is unhappy about this fourth successive interest rate increase."

Brendan Barber, deputy general secretary of the TUC, said: "Higher interest rates will do nothing to encourage industry to invest in skills and new capacity."

The Chancellor of the Exchequer did not escape attack.

His shadow, Peter Lilley, said: "This fourth rate rise in 100 days is the inevitable result of Chancellor Gordon Brown's botched Budget." He said Mr Brown had "left the Bank with no option but to push interest rates higher."

Malcolm Bruce, Treasury spokesman for the Liberal Democrats, joined him in criticising the Budget. "Today's interest rate rise was probably necessary to avoid a damaging consumer boom followed by the usual bust, but it was also a sign that Gordon Brown got his Budget wrong," he said.

A Labour backbencher, Austin Mitchell, urged the Chancellor to reverse his "premature" decision to allow the Bank of England to set interest rates. He said its Monetary Policy Committee had "turned a complacent blind eye to Britain's slide into the third recession since 1979".

Interest rates have now risen by 1 per cent since 1 May. The Cheltenham & Gloucester, the fourth biggest lender, raised its mortgage rates straight away. Other big lenders, including the Halifax, Woolwich, Abbey National, Alliance & Leicester and Nationwide, said they would review the situation.

The Britannia increased its savings rates, but said its mortgage rates would not rise.

City delight, page 19

How a five-year-old boy ended up as the victim of one town's drug-fuelled amorality

Steve Boggan

He is five-year-old Dillon Hull, the youngest victim of Britain's spiralling descent into drug-fuelled amorality, a child so at risk that his stepfather tried to buy bullet-proof glass for his home just hours before a gunman fired two shots into the little boy's head.

As Dillon's neighbours in Deane, a once-proud suburb of Bolton, Greater Manchester, tried to come to terms with their new membership of gangster land, details emerged yesterday of the adult forces that had conspired to end his young life.

Dillon died on Wednesday evening because he got in the way of a crash-heeled gunman apparently intent on settling a feud with his stepfather, John Bates, a 28-year-old with a record for possession who regularly came to the attention of police.

Armed officers were guarding Mr Bates at a secret location last night after witnesses came forward to say that he may know the identity of the man who killed Dillon and shot him in the stomach. His injuries are not life-threatening.

A firm of glaziers have told police that they were called on Wednesday

morning to replace a window at Mr Bates' home in Jauncey Street which had been damaged by gunfire in the early hours.

"He asked whether we could supply bullet-resistant glass but we said his window was too large, so we sent laminated glass, the strongest we had," said Alan Moore, manager of Express Glaziers in Ashton-under-Lyne. "When my lads got there, Mr Bates showed them a bullet hole in his living room wall and said: 'I know who did this - and I'm going to get him.' My lads got the job done as quickly as they could and got the bell out of there."

Later that afternoon, shortly after 5pm, the gunman struck, shooting his victims in Bankfield Street in broad daylight. He then ran down an alley leaving a yellow Mini Metro behind.

Yesterday police said there was "no big drugs war in Bolton", but neighbours spoke of "rife" drug dealing in an area that used to be quiet and respectable.

In a clear sign that police may have been given a name by Mr Bates, Detective Superintendent Peter Ellis, the man leading the inquiry, said he had reason to believe the gunman was being harboured by other criminals and

assailant and a crash-helmet he discarded at the scene were being examined by forensic scientists. The Metro had not been stolen, he said, but the previous owner had been eliminated from the inquiry. The car had changed hands seven times in recent weeks. Mr Ellis also revealed that closed-circuit television footage from nearby commercial premises was also being examined.

Neighbours described Dillon as a friendly, sociable, intelligent child to whom his mother, Jane Hull - who gave birth to a baby boy three days ago - was devoted. Mr Ellis said Mr Bates was "known to police" and had been visited by officers on several occasions because of complaints by neighbours.

According to the *Manchester Evening News*, he had been convicted of possessing drugs and had been arrested more than once in connection with alleged intent to supply. Police refuse to discuss his anecdotes.

In spite of his turbulent life, Mr Bates comes from a respectable, wealthy family. His father, Johnny, is well known locally as the proprietor of two large greengrocers. The family

home is a large red-brick detached house set back from Bury Old Road in Ainsworth.

The Bates' declined to comment last night, but a family acquaintance said: "John doesn't get on with his father. A few years ago, Johnny disowned him because of his behaviour. I don't know what will happen to their relationship after this."

The streets of Deane were quiet yesterday, its residents shocked. Although smart by the standards of inner-city drug dealing areas, people spoke of known drug dens, all-night police patrols and fears of walking out at night.

At the end of Bankfield Street, flowers and wreaths were laid in memory of Dillon. "One of God's children brutally murdered," said one. Another, from a young friend read: "Sweet dreams, Power Ranger. RIP."

Mothers were keeping a tight rein on their children last night. "My daughter, Kirsty, used to play with Dillon," said Marie Butler, 25. "Thank God, she's away at the moment."

"When she comes back, I'm going to tell her he's in Heaven with the angels. I mean, how do you explain to a seven-year-old about grown-ups, and guns and drugs?"



Dillon Hull was a friendly, sociable, intelligent child, said neighbours

Burger



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Blair plans end-of-year assessment of Government

Tony Blair is planning to follow today's assessment of Labour's first 100 days in office with an annual report on the performance of the Government next May on the anniversary of the general election.

Denying it would copy the US President's "State of the Nation" address, Downing Street officials said it would take the form of a company chief executive's report to the shareholders, with a check on the 10 main manifesto commitments, including smaller class sizes.

John Prescott, the Deputy Prime Minister, and Peter Mandelson, minister without portfolio, will today highlight the achievements of the Government's first 100 days.

Colin Brown

'Smart phones' to curb jail stalkers

The introduction of "smart telephones" in prisons to stop offenders stalking their victims while they are behind bars will be announced today by the Government.

Joyce Quin, the prisons and probation minister, will announce a comprehensive extension of a scheme to combat the use of telephones by inmates to stalk their victims with nuisance calls. The "smart telephone" technology will limit the prisoners to access to telephone numbers which have been approved by the authorities.

No slim-pill death link, says coroner

A husband's fight to link his wife's death with slimming pills failed yesterday. John Ellis, 44, had fought for more than a year to have an inquest held into the death of his 48-year-old wife Jennifer. Mrs Ellis, a clerical assistant, from Acomb, York, died from a brain haemorrhage in hospital on 22 March 1996. Unknown to her husband, she had been taking the slimming drug Phenetermine, prescribed by a private slimming clinic, on and off for the past seven years.

Her death was at first treated as natural and no inquest was held. But after representations from Mr Ellis's lawyers, York coroner Donald Coverdale agreed to hold the inquest. Mr Coverdale yesterday recorded a verdict of death by natural causes. Expert witness, Dr Peter Kopelman, told the hearing there was no evidence of the slimming drug being linked to brain haemorrhages.

BBC celebrates daytime revival

BBC chiefs are celebrating a daytime TV ratings turnaround after ditching their "sofa celebrities" Nick Owen and Anne Diamond last year.

The *Good Morning With Anne and Nick* stars were dropped after ITV's Richard and Judy became runaway successes, with almost double the audience for their *This Morning* show. Richard Madeley and Judy Finnigan accused their rivals of copying them and claimed they deserved to fail. Diamond (pictured) and Owen were

dropped last May, with Diamond refusing to accept a bouquet of flowers sent by BBC Controller Alan Yentob, now Director of Television. But BBC1 daytime ratings have now moved back into contention and are neck-and-neck with ITV.

Seaweed on designer dinner menu

Seaweed, redolent with memories of seaside holidays and apparently better for you than ice cream and candy floss, is bidding to become the next designer ingredient for the country's dinner tables.

Two varieties, sea lettuce and dulse, are going on sale at Tesco, and are recommended for an extra kick in dishes ranging from pasta and chicken to scrambled egg.

Sea lettuce, delicate green and feathery, is said to be good for wrapping fish and meat during cooking – or eating as a salad in a marinade of lemon juice and olive oil.

Dulse, which comes in rich red ribbons, is recommended for enhancing pasta dishes, soups, salads and "works particularly well" with chicken, according to Tesco.

Lord Sutch sees off second party

The Monster Raving Loony Party candidate, Screaming Lord Sutch, may have claimed another scalp after the announcement yesterday by Alan Sked that he was retiring as the leader of the anti-EU UK Independence Party.

Mr Sked, an academic who founded the party in 1993, said work pressure had forced a return to his "ivory tower" at the London School of Economics.

It follows his party's poor showing in the Uxbridge by-election in which the UK Independence Party was beaten by Lord Sutch. David Owen would up the SDP after his party was humiliated in a by-election by being beaten by a Monster Raving Loony candidate.

Colin Brown

'This bear is not miserable – official'

London Zoo has had to erect signs to reassure worried visitors that a depressed looking bear is perfectly happy.

Lanka, a 14-year-old sloth bear from South Asia, has been displaying worrying behaviour since her move to London from Warsaw Zoo three months ago.

She rocks from side to side in a motion that some animal experts have described as a classic sign of boredom.

But keepers have moved to dispel the worries of people viewing this strange spectacle by putting up signs around her two acre enclosure.

The sign states: "You may have noticed that the female sloth bear sometimes displays an abnormal 'rocking' behaviour in front of doors. The keepers are trying to cure this with a wide variety of behavioural enrichment ideas".

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people



PW Botha with his wife Elize who died two months ago. Inset: New love Renette Naude

South Africa's old president follows Mandela's love lines

White or black, racist or freedom fighter, what is the secret of the ageing South African politician?

A year ago, President Nelson Mandela, 79, and Mozambique's Graca Machel, 28 years his junior, confirmed breathless rumours of romance by canoodling during a presidential trip to Europe.

Now the hero's one-time arch-enemy, the former state president PW Botha, 81, is said to be in love with Renette Naude, a widow almost half his age. While Paris was

the setting for the outing of Mr Mandela and Ms Machel, a town called Wilderness – to which the bitter hero

was treated in 1989 after being knifed by his cabinet – is apparently the backdrop for this very Afrikaner romance.

Yesterday Mr Botha denied he planned to marry Ms Naude, the vivacious blonde owner of an upmarket guest house. But then he also claims he never realised his security police murdered and detained to keep him in power. "At the moment I am a lonesome warrior,"

says the Groot Krokodil (Great Crocodile), as he

is affectionately known. But Mr Botha was fulsome in his praise of Ms Naude and while the lady herself denied marriage was imminent she did not rule it out later.

If the couple do indeed have plans to marry their coyness is understandable. Elize, Mr Botha's wife of 54 years, only died in June. Yesterday the old joke about Afrikaner funerals was doing the rounds: however grief-stricken the widower, he always takes time to eye up the mourners.

So how is this easier to imagine President Mandela, the world's most popular politician, as a romantic hero than the finger-wagging, stalk-eyed PW Botha?

But each to their own. President Mandela picked a woman with impeccable revolutionary credentials; Ms Naude is said to be a devout member of the local Afrikaner church.

And as Mr Botha pointed out yesterday: "The Bible says it is not good to be alone."

Mary Braid — Johannesburg

Albert Hall chief quits in shock move

Patrick Deuchar has resigned as chief executive of the Royal Albert Hall in London. The resignation shocked associates as Mr Deuchar, who has been at the Hall for eight years, has recently won £40m of lottery money to fulfil his dream of opening up the Hall in the daytime with a cafe, art gallery and entertainments on site.

Mr Deuchar (right) recently married the musical star Liz

Robertson, who made her name as Eliza Doolittle in *My Fair Lady* on the West End stage.

Professionally, too, he has been celebrating with the RAH co-producing a number of extravaganzas including the *Swan Lake*, arena operas and the *Cirque du Soleil*.

As chief executive, Mr Deuchar was a firm manager who made numerous personnel changes when he arrived eight years ago. He had a high personal profile, and made a point of promoting the Royal Albert Hall as a national treasure, "the nation's village hall", and widening the Hall's use

from the Proms, popular classics and Eric Clapton, to embrace

circus for the first time, arena



opera and latterly arena ballet.

There had been reports that he

had not always seen eye to eye

with his trustees in recent months, but these were sharply denied by

spokespeople at the Hall

yesterday. Eve Hewitt, director of

sales at the Royal Albert Hall,

confirmed that Mr Deuchar had

resigned, saying he was leaving

"to pursue other interests."

But she said there had been no

falling out at all between Mr

Deuchar and the trustees.

Raymond Gubay, the concert

promoter who presents 50 shows

a year at the RAH, said last night:

"I am deeply sad that he is going.

Patrick has done an incredible job

in revitalising the Hall."

David Lister

Britain's oldest man dies at 109

Britain's oldest man has died in hospital aged 109.

Vinson Gulliver, who earned a place in the Guinness Book of Records, died peacefully of "old age", his only daughter, Doreen Jackson, said.

The former tram driver – who was born one of 13 children in November 1887, when Queen Victoria was celebrating her golden jubilee – remained alert almost until his death at 8pm on Tuesday in the Wythenshawe Hospital, Manchester.

"He'd enjoyed his life but he said he was quite ready to go and in the end, he just drifted off," said 66-year-old Mrs Jackson.

A Guinness Book of Records spokesman said the title of

Britain's oldest living man was now open.

"We are looking at a number of candidates aged around 107 but we will not know until all their documentation has been checked," he said.

Lucy Askew of Buckhurst Hill, Essex is Britain's oldest living person. She is due to celebrate her 114th birthday in September.

Mr Gulliver's death follows the death on Monday of the oldest person in the world, Frenchwoman Jeanne Calment, who was aged 122 years and 153 days.

David Lister

Kiss-and-sell frenzy over Diana photographs

A bidding war has broken out in Paris over what have been touted as "elegant" new photographs of Diana, Princess of Wales, in the company of her latest male friend, the Harrods heir Dodi Fayed.

Mr Fayed, 41, accompanied the princess on a secret yachting holiday in the Mediterranean, and pictures showing them "kissing and cuddling" are being offered for around £200,000. William Hill has cut the odds on the Princess remaining before 2000, from 6/4 to even money.

But today, in her role as "princess

of compassion", Diana was flying to Bosnia as part of her worldwide campaign against landmines.

Dodi al Fayed, the 41-year-old son of Mohamed al Fayed and nephew of arms dealer Adnan Khashoggi, has been linked over the years with a string of beautiful women. An Oscar-winning film producer, his credits include *Charlotta*, *Fire, Breaking Glass*, *Murder By F/X* and *Hook*.

His marriage to American model Suzanne Gregard ended in divorce after eight months, with a settlement

rumoured to be \$2m (£1.3m), including jewellery and a new Rolls Royce car. Afterwards he said: "I think my one marriage has put me off the institution for life." He has been linked with a string of actresses, including Brooke Shields, the Duke of York's former girlfriend, Koo Stark, Britt Ekland, Princess Stephanie of Monaco, the actress Valerie Perrine, and Frank Sinatra's daughter, Tina.

More recently he was reported to be comforting Joanne Whalley following her break-up with Val Kilmer.

Ian Burrell

briefing

SOCIAL POLICY

Drug experts warn against appointing 'gung-ho czar'

Experts warned the Government today not to turn its new drug czar into a vote-catching "gung-ho" general.

They said the policy could backfire if enforcement was over-emphasised at the expense of treatment, rehabilitation and prevention.

The four drug experts, writing in the *British Medical Journal*, warned of the dangers of "war" rhetoric. They were disappointed that the drug czar had been charged with leading the "battle against drugs", and unhappy about the US being chosen as a role model. "The macho nature of the post is further signalled by its title – no czarina need apply," they wrote. The experts were led by John Strang, director of the National Addiction Centre, London. His co-authors were William Clegg, chairman of the Welsh Advisory Committee on Drug and Alcohol Misuse, Lawrence Gruer, a consultant in public health medicine from Glasgow, and Duncan Raistrick, director of the Leeds Addiction Unit.

The role of the drug czar – whose proper title is UK Anti-drugs Co-ordinator – will be to take an overview of strategies to combat substance abuse and make recommendations to the Government. Applications for the post must be in by 5 September.

MOTORING

Car security still not up to scratch

Nearly 90 per cent of cars can be broken into within two minutes and are therefore failing Home Office vehicle safety requirements, according to test results released yesterday.

But British cars are the most secure on the market and come closest to satisfying Home Office guidelines, the tests conducted by *What Car?* magazine disclosed.

Of the 72 models subjected to break-in and drive-away tests, 64 could be broken into within two minutes – and some in a matter of seconds. Home Office guidelines say cars must resist attempts to drive them away for a further five minutes after being broken into. A total of 61 per cent of the 72 cars passed this five-minute test – 9 per cent more than last year's figure.

In an overall security league table compiled from the test results, the Jaguar XK8 and the Range Rover 4.0 SE were joint top, with 90 out of a maximum 100 points.

These were two of the eight cars that passed both break-in and drive-away tests.

First of all there was Shopping and F***ing. Then God came along

Clare Garner

After a season of *Shopping and F***ing*, what better antidote than a blast of the Bible? From tonight there will be no more explicit sexual performances in the West End's Gielgud Theatre. In their place will be revelations of a different kind in a 100-minute staging of the Old and New Testaments.

"The Bible's come along to cleanse the theatre," said Mark Goucher, who co-produced both Mark Ravenhill's *Shopping and F***ing* and the Reduced Shakespeare Company's *The Bible: The Complete Word of The*

'One cleric from Poole was so concerned that he told his congregation to pray that the troupe would not make it to Dorset'

God (abridged). The owners of the theatre refused to stage the one play without the other. "They allowed us to bring *Shopping and F***ing* in provided we brought *The Bible* to afterwards," said Mr Goucher.

"They thought *The Bible* would be more commercially successful than *Shopping and F***ing* would ever be, so we tied up the two."

But Nica Bruns, production director of Stoll Moss Theatres, which owns a dozen West End theatres, insists there was "no irony intended" in the two-play deal. None the less, she hopes *The Bible* will capitalise on the "young, hip audience" which was attracted by its predecessor. "The perception of

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Ship's captain jailed over crew's death on the rocks

Kim Sengupta and Louise Hancock

The skipper of the shipwrecked *Maria Asumpta*, the world's oldest sailing vessel, was jailed for 18 months yesterday after being convicted of manslaughter over the deaths of three crew members.

Former Royal Navy lieutenant Mark Litchfield, 56, was found guilty on a majority decision at Exeter Crown Court after a five-week trial which followed the loss of the square-rigger on the north Cornwall coast.

Mr Justice Butterfield, the presiding judge, had told the jury that to return a manslaughter verdict they had to be sure Litchfield, who also owned the ship, was grossly negligent in breaching a duty he had to take reasonable care of his crew.

The judge said it was his duty to sentence Litchfield, 56, for the criminal conduct which led to three deaths. He added: "These matters are so serious as to require the imposition of an immediate sentence to punish you for your criminal conduct which has resulted in the loss of three innocent lives."

He recognised that there was no sense of vindictiveness or need for retribution on the part of victims' relatives. The sentence was not intended to reflect the worth of the lives lost.

Cook Anne Taylor, 51, from Wallingford, Oxfordshire, as assistant bosun Emily Macfarlane, 19, from Felixstowe,



The *Maria Asumpta* lying on rocks at Mous Rock, near Padstow, Cornwall, on 30 May 1995. Photograph: BBC/Reuters

Suffolk and 30-year-old second engineer John Shannon, from Queensland, Australia, were killed when the 137-year-old *Maria Asumpta* hit submerged rocks at Mous Rock, near Padstow, Cornwall, on 30 May 1995.

Richard Lissack, QC, for the prosecution, had told the court that Litchfield failed to sail the ship at a safe distance from the shore, and had to rely on the engines to avoid grounding, knowing they were likely to fail because of contaminated fuel.

The Crown did not allege that Litchfield intended to kill the crew members, but that he was guilty of causing their deaths "by criminal negligence

had fallen in the water at Gloucester docks. And a crewman who survived, Adam Purser, 47, from St Mawes in Cornwall, described to the court how he had felt "completely and utterly" let down by Litchfield and had shouted at him "you bastard you bastard" at the moment of impact.

Mr Purser added: "I saw John Shannon. He was holding the base of a picnic box which was fairly buoyant but it did not have a handle and was difficult to hold on to. After a time his strength failed and he let go, and he disappeared."

However, the son of Ms Taylor, gave evidence on behalf of Litchfield during the trial, and said that he did not hold him responsible for her death. Darren Taylor, 22, had previously served with Litchfield on the *Maria Asumpta*, and told the jury he would be happy to sail with him again.

The *Maria Asumpta* tragedy was the second time Litchfield had been involved in a sinking of a ship. In 1985, *The Marques*, which Litchfield co-owned, was lost at the edge of the so-called Bermuda Triangle during a Tall Ships race.

The Marques had featured in several television and film productions including *Poldark*, *The Onedin Line*, and *Jamaica Inn* as well as a production of *Dracula* with Lord Olivier. Litchfield was not on board at the time of the accident, and was not accused of an offence.



God slot: The Reduced Shakespeare Company's latest iconoclastic blast compresses the Old and New testaments into a performance of less than two hours, romping from 'fig leaves to final judgement'.

Photographs: Gérard Lewis

that it's very difficult to make new controversial plays work there, but there's a massive, young, treedy audience out there," he said. "It's that new audience that everyone desperately wants to get into the West End to ensure its survival."

The Reduced Shakespeare Company's other plays, *The Complete Works of Shakespeare (abridged)* and *The Complete History of America (abridged)*, both running at The Criterion Theatre, are attracting a predominantly young audience too. The producers of *The Bible* are confident that their latest show will do the same.

The Reduced Shakespeare Company considers *The Bible* to be "the perfect addition" to its repertoire.

"It's long, internationally known, packed with sex and violence and, most importantly, these three cultural apostles cannot be sued by the original authors," said a spokeswoman.

After unceasing and diligent research they are now able to reveal the answers to questions that have baffled theological scholars for centuries such as: 'Did Adam and Eve have navels?' and 'Did Moses really look like Charlton Heston?'

The Bible runs at the Gielgud Theatre from 8 August to 1 November.

Mystery of attack on Avon Lady

Alexandra Williams

A widow heard yesterday how her husband died while subjecting a woman to a terrifying attack in her own home. The inquest into the death of David Stuchbery was told how he died from a single stab wound on February 4th, as he attacked Avon saleswoman Wendy Hertz in her own home.

Mrs Hertz, 36, described her horrific ordeal, which left her mentally and physically scarred.

She said that on the morning of February 4th she answered her front door to Stuchbery. Recognising him as a customer of hers, the Avon lady invited him to step inside her house from the cold while she went to get him a catalogue.

But Stuchbery came inside and she saw he was holding a knife. "His eyes grew wide. He was stony-faced. He raised his left arm across my chest. I could feel his breath on my face. I know the knife was very close to my neck and he was just staring at my face."

"I asked 'Why are you doing this?' Slowly and mechanically, he said: 'I don't know,' she said.

Mrs Hertz screamed as Stuchbery pushed her head back and tried to kiss her. "He unzipped my jeans and he started to pull them off. It was then I was able to pick up the knife."

Mrs Hertz does not recall stabbing Stuchbery. The next thing she remembers is her attacker lying face down in the hallway. Terrified that he would



Wendy Hertz: Left, scarred

suddenly pounce on her again she reached for a bottle and hit him on his head, before running out of her house to her next-door neighbours.

Police found blood smeared on the walls and the flick-knife, used by Mr Stuchbery's wife to gut fish, lying in the corridor.

Detective Inspector Alan Scott, the investigating officer, said: "On that morning Mr Stuchbery went out with the specific intention of carrying out a serious sexual offence on Mrs Hertz. He knew that if Mrs Hertz had survived she would have had no difficulty in identifying him. It is my opinion that he did not die, he would not have let her survive."

The court heard how Stuchbery, a 49-year-old road sweeper, was shy and found it hard to make friends, but had been happily married to his wife Linda, a primary school Head Mistress. Mrs Stuchbery, her voice trembling, said: "What David did was wholly out of character, very unexpected and very tragic. I cannot offer an explanation. He just seemed to snap."

The coroner recorded a verdict of accidental death.

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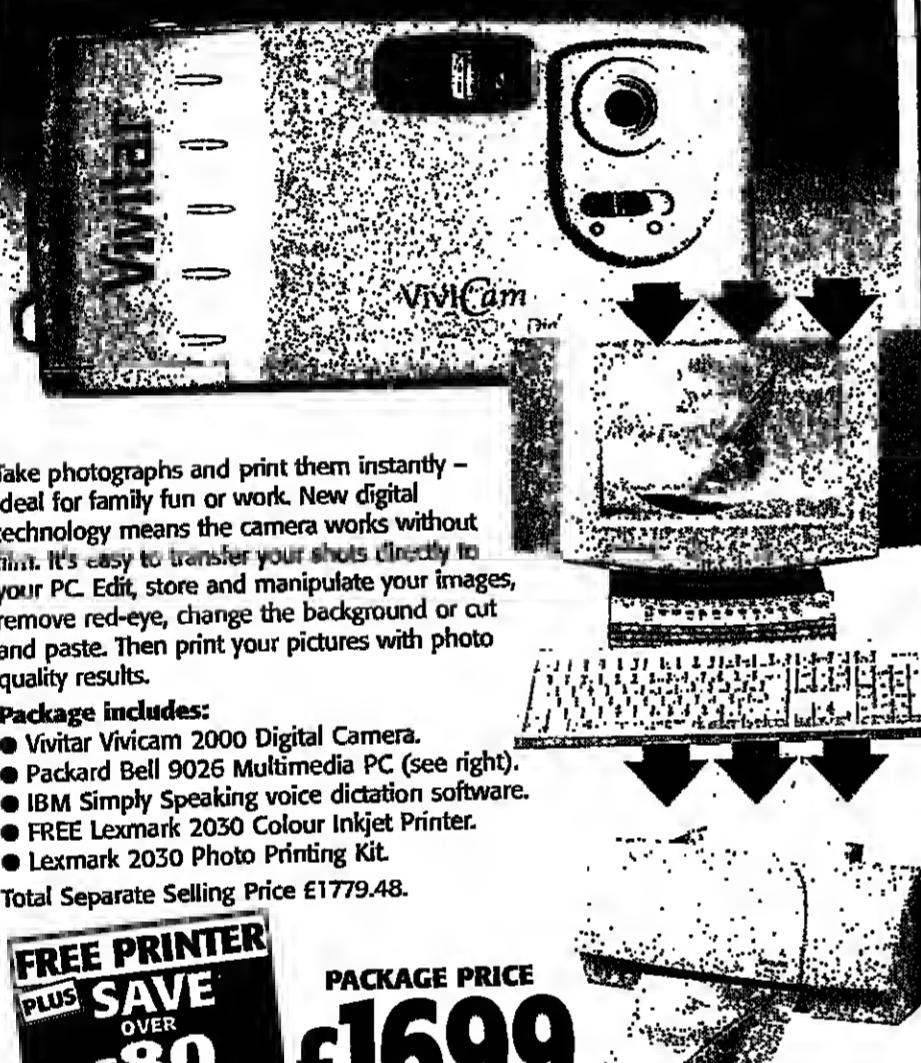
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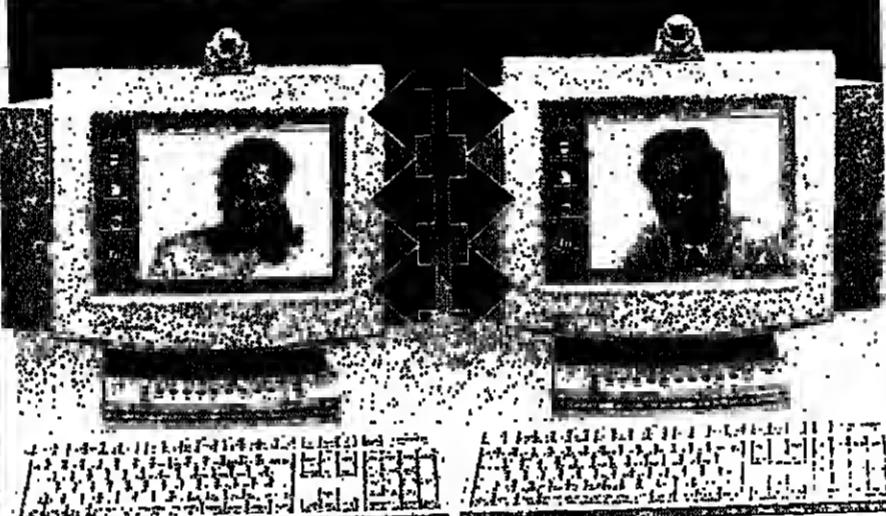
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news

Brewery chains to target alcopops at adult market

Andrew Yates

The two biggest brewing and pub groups in the United Kingdom are preparing to change radically the way they market their highly controversial alcopops, with the specific aim of defusing the row over under-age drinking.

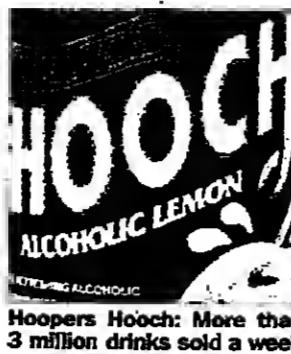
Bass is considering a multi-million pound relaunch of Hoopers Hooch, the leading alcoholic lemonade drink. More than 3 million bottles and cans of Hoopers Hooch are sold every week.

Scottish Courage has also admitted that it is revamping Two Dogs lemonade, which it distributes for the Merrydown cider group, to appeal to "memeo and older customers".

The climbdown by the two drinks groups comes as Safeway, the supermarket chain, yesterday became the latest in a long line of retailers to withdraw some alcopops from its shelves. The Co-op and frozen food group Iceland have already banned alcopops and two leading pub chains, Whitbread and JD Wetherspoon, announced earlier this week that they planned to stop selling alcopops.

The move also comes just weeks before the Portman Group, the drinks industry watchdog, is to introduce a code of practice aimed at cracking down on under-age drinking and alcopops.

The drinks themselves are not the problem, it is the way they are marketed. We welcome



Hoopers Hooch: More than 3 million drinks sold a week

any move to change the brands so they are aimed at the adult market," said a Portman Group spokesman.

The market for alcopops has grown rapidly since Two Dogs was introduced from Australia to Britain in 1995. Since then

alcopops if they believe they are designed to appeal to under-18s.

Scottish Courage is about to launch a £1m advertising campaign in an effort to try and promote Two Dogs as "a more adult drink" targeting the over-30s, especially females.

The new drink, which will have a sharper taste, will be served in longer bottles and the size of the word "alcoholic" will be significantly increased on the label.

Bass is considering taking off the characteristic cartoon known on the Hoopers Hooch label and repackaging the bottle, according to industry sources.

The market for alcopops has grown rapidly since Two Dogs was introduced from Australia to Britain in 1995. Since then

more than a hundred new brands have been introduced and the market has grown to an estimated £350m a year.

But there has been mounting concern that the proliferation of brightly coloured products, which have traded under names such as Purple Passio and TNT-Liquid Dynamite and are designed to appeal to younger drinkers, have led to an increase in under-age drinking.

When Moo, an alcoholic milk, went on sale in Oxfordshire earlier this year it caused uproar among politicians and anti-drink campaigners. The Home Office is likely to introduce other measures to clamp down on alcopops, including the introduction of a national proof of age card.



Man of the match: Grobelaar yesterday. Expert witnesses said that in videos they saw there was no sign of any attempts to bend results



Football hails end of 'trial of the century'

Michael Streeter

When it finally came - after two trials and 79 days of court-room drama - the verdict was a massive relief for English football authorities. Last night's announcement of an inquiry into betting in football shows there is concern that a syndicate could recruit Premier League players into the legal "forecasting" of results, as admitted in court. However, the allegation of illegal match-fixing was emphatically rejected.

The verdict was also a triumph for former Gladiators presenter and businessman John Fashanu and his co-defendants Hans Segers and Heng Suan Lim. The prosecution's case had certainly been sensational, for once justifying the tabloid hype that this was the "Soccer Trial of the Century".

The former Aston Villa and Wimbledon striker Fashanu, a former FA Cup winner, had been accused of being the "middle" man between a gambling syndicate in Indonesia and two English-based goalkeepers, teammate Segers and former Liverpool and Southampton keeper Bruce Grobelaar.

It was claimed the syndicate had channelled up to £500,000 to their alleged fixer in London, Mr Lim, who passed the cash on to the footballers via Mr

Grobelaar and Mr Fashanu in return for helping to fix Premier League matches.

The scam, said the prosecution, was that the syndicate could use inside knowledge of likely scorelines to make fortunes on big stakes in Jakarta.

On one occasion Mr Grobelaar was said to have received £40,000 for throwing a match in which Liverpool lost 3-0 to Newcastle United, a claim rejected by the jury's verdict.

The prosecution had claimed a record of phone calls, many on mobiles, between the accused pointing to their involvement in the conspiracy to fix matches. The calls showed Mr Lim calling Mr Grobelaar and Mr Lim or vice versa, sometimes just before and just after matches said to be the subject of fixing by the Far Eastern syndicate. The fatal flaw for their case, as shown by the jury's verdict, was that this pattern of calls also fitted the case made by the defendants - that the quartet had been involved in forecasting the results of the matches, a legal practice, and not the fixing of games.

Mr Grobelaar and Mr Fashanu were cleared of all charges, but the jury found Segers guilty of match-fixing and sentencing him to 18 months in prison.

Segers, who unlike Mr Fashanu gave evidence at the trials, admitted they had given their professional advice on the likely outcome of English Premier League matches as well as in Dutchman Segers' case, those in the Netherlands.

Moreover, a string of unimpeachable witnesses including the 1966 World Cup goalkeeper Gordon Banks, and his former colleague Alan Ball, who was Mr Grobelaar's manager at Southampton, said there was no sign of any attempts to bend results in video of matches they saw. Yesterday the jury agreed with them.

The allegations became public in 1994, when the Sun published transcripts of taped conversations between Mr Grobelaar and his former business partner Christopher Vincent, in which he apparently heard admitting match-fixing in the past and is seen apparently taking £2,000, which Mr Vincent claimed was from a separate match-fixing syndicate. Mr Grobelaar told the court that he was only stringing Mr Vincent along.

The article sparked a police investigation, culminating in the trials. Although the jury cleared Mr Grobelaar of involvement in any previous conspiracy with Mr Fashanu and Mr Lim, they have yet to rule on a charge that he took the £2,000 to influence the results of games.

The men who faced trial



John Fashanu was a Dr Barnardo's boy who became a television celebrity after a career which gave him an FA Cup winner's medal with Wimbledon. Dubbed "Fash the Bash" for his physical approach to football, he is also a successful businessman worth £6m. As co-host of Gladiators, alongside Ulrika Jonsson, he commanded £100,000 a year.

Hans Segers had a seven-year career with Wimbledon which saw him become a key member of their so-called "Crazy Gang". Although not a spectacular keeper he had a great rapport with his fans and was a Wimbledon folk hero. The Dutchman moved to England in August 1984 after Brian Clough signed him for Nottingham Forest. He later joined Wimbledon.

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Hidden role: Fatima Beltagui in her hijab or veil at the opening of The Veil in Islam exhibition at Glasgow's St Mungo Museum. Photograph: Colin Templeton

Clark blames the Press for hounding Labour MP to his death

Colin Brown
Chief Political Correspondent

Press intrusion was blamed yesterday by Alan Clark, the Tory MP, for contributing to the persecution which drove Gordon McMaster, the Labour MP, to suicide.

Mr Clark, an outspoken former Conservative minister who has suffered from the press pack in the past, said new restrictions on press intrusion of privacy could have helped protect those like Mr McMaster who were in the spotlight.

The circumstances surrounding Mr McMaster's death

may now increase the pressure for press privacy laws, which Tony Blair has been resisting. The previous Government decided against any immediate action after a long review by Virginia Bottomley, the former National Heritage Secretary.

The Labour chief whip, Nicholas Brown is investigating the allegations made in Mr McMaster's suicide note that two Labour figures, Don Dixon, a former deputy chief whip, and Tommy Graham, a Labour MP with a neighbouring seat, had been "bad mouthing" him. Both deny the claims.

The *New Statesman* this week carries an article by a gay journalist suggesting that Mr McMaster was a victim of repressed homosexuality. But Irene Adams, a close friend of Mr McMaster, said the press also played a part in the pressure on the MP by asking him whether he was dying from Aids.

Ms Adams recalled that Mr McMaster, who suffered from chronic fatigue syndrome, which he believed was brought about by exposure to chemicals when he was gardener, could not speak because he was so upset and distressed by the call from a local reporter in Paisley.

Mr Clark said Lady Caithness, wife of a former Tory minister in the Lords, and Lady Green, wife of the former Director of Public Prosecutions, were both driven to suicide partly as a result of the pressure from the press.

He described the press as being like an "18th-century mob", and describes the treatment he and his family have received at the hands of reporters and photographers. On one occasion, Mr Clarke's wife, Jane, was wrongly told by the press that he had fathered a love child.

"This was quite remarkably cruel and deceitful behaviour," he wrote. He added: "No-one who has not experienced the pain of having their loved ones in tears for hours on end, their children too terrified to attend school, the feeling of total entrapment in their own house, can appreciate what this is like.

"And it is deliberate. It is, sometimes literally, a blood sport, and the practitioners enjoy it." He wrote: "It is routine practice for the wife to be goaded without mercy in order to provoke a 'reaction'.

"If she stays contentedly married to a 'cheat', she is a wimp and a 'doormat'. If she walks out, then it is the press who have scored. Another marriage wrecked – excellent."

"Press harrassment does dri-



Clark and McMaster: 'New restrictions on press could have protected McMaster'



ve some people over the edge. If you are in public life, you have to be able to resist it. But if you are innocent, at the edge of it, like Lady Caithness and Lady Green, it can be very cruel and lead to tragic results."

The most offensive journalists, he said, were the groups of reporters who waited on the doorstep, and the "monkeys" who popped their flashbulbs in mases at their victims.

Attacking the press complaints commission as "useless", Mr Clark said the European Court of Human Rights was going to bring into English Law certain restrictions on the intrusion of the right of privacy which he welcomed.

But he also took a sideswipe on BBC radio at Frank Johnson, editor of the *Spectator*, for including Diana, Princess of Wales in his article, without his permission. "I am very surprised. The *Spectator* is meant to be a serious paper. That is why I sent it that article. I now wish I had sent it to Alan Rusbridger to put in the *Guardian*."

DAILY POEM

post-mistress

By Anne MacLeod

my feet endure
the seasons' floods
fingers sift, delve deeply

a ripple of postcards
on an ink-scrabbed tide
stamps from Amsterdam, Lloret del Mar

where Moran had her first joint
at eighty-two
reckless in the noon-day heat

and wrote to tell her son
all about it

This poem comes from Anne MacLeod's first collection, *Standing by Thistles* (Scottish Cultural Press, £4.95). The author lives in Inverness, studied medicine in Aberdeen and now works as a dermatologist in Highland communities.

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news

The disaster that *really* worries Mr Bean's brother



Rodney Atkinson: 'The evidence which links Hitler with today's EU is dynamite'

Foreign adventures are no laughing matter for a less celebrated Atkinson

Alexandra Williams

One is Britain's highest paid comic actor whose most successful and lucrative character is the inept Mr Bean. The other is known for his full-throated assaults on the European Union and was an adviser to the late Sir James Goldsmith.

The comic Rowan Atkinson seems worlds apart from his brother Rodney. As cinema goers roll around in the aisles watching *Bean: The Ultimate Disaster*, released today, Mr Bean's serious big brother will be at home in Stocksfield, Northumberland, plotting his next way to "stop the EU rot and international conspiracy to destroy the nation".

But there is no mistaking that they are brothers. Although moustachioed, Rodney Atkinson has that same pliable rubberface and both can be deadly serious.

The reclusive comic said: "Sometimes I wonder what I'm doing in showbusiness. I'm just not the type. It's as though I wandered in accidentally and there's no way out."

"Half of me is shy, even dull. I can't perform at parties. People who meet me for the first time leave thinking: 'What a miserable git'."

Rodney, Rowan and their older brother Rupert were brought up in Cessett and went to school with the Prime Minister, Tony Blair, at Durham Choristers. Whilst Rowan performed in the school plays,

Rodney buried his head in politics. At the last General Election he stood as the Referendum Party candidate in the Labour stronghold of Durham North West. He polled 5.12 per cent of the votes.

The 48-year-old has written several books condemning the EU. His latest - *Europe's Full Circle* - has sold more than 3,000 copies in the last six months. Its cover replaces one of the stars on the EU flag with the Nazi swastika.

"The evidence which links the Hitler regime with today's EU is dynamite," said Mr Atkinson. "What the Nazis said and planned before, during and after the war is now seen in today's German state and the power of the EU."

"The Nazis designed it and the so-called democratic Germans have forced it on the once free peoples of Western Europe."

Back in 1993 Black Adder's brother and *Guinness Book of Records* editor Norris McWhirter accused the then Foreign Secretary, Douglas Hurd, of treason for signing the Maastricht treaty.

"My grandfather fought in the First World War and my father in the Second - we regard this as a third European war," said Rodney. A fan of his brother's work, Mr Atkinson is unmarried and lives at home with his elderly mother, Ella.

"I'm very proud of Rowan. Mr Bean is very funny. He's an amalgamation of many people Rowan has seen and met, even the odd schoolmaster is in there," he said.



Rowan: 'People who meet me for the first time think: "What a miserable git"'

University rush made worse by top grades

Lucy Ward
Education Correspondent

A predicted rush for university places, with up to 90,000 extra candidates scrambling for the last 100 fee-paying places, is likely to be made worse by a rise in the A-level success rate this year.

If an eight-year steady improvement in A-level grades continues when results are published next week, more applicants will meet university offers and secure places.

Relief for some will mean added pressure for others with weaker results who will have to fight it out with unprecedented numbers of would-be students for fewer vacant places.

Figures released yesterday by the Universities and Colleges Admissions Service (UCAS) offered early indications of the predicted dash for places this autumn. Last-minute applications to university are up by 38 per cent on last year, and the numbers of students placed in clearing so far are up 75 per cent.

The trend follows the announcement last month of government plans to introduce means-tested tuition fees of up to £1,000 per year of study and abolish maintenance grants. The reforms will be phased in from 1998.

The UCAS chief executive, Tony Higgins, said candidates who failed to get the required grades could face competition with up to 90,000 more late applicants than in past years.

They could include students who had planned a gap year be-

fore starting university in 1998. others who qualify this summer but originally did not intend to apply until next year, and 19-20-year-olds who already have A-levels but have delayed applying.

Vice-chancellors' leaders yesterday confirmed that candidates would have to be prepared to compromise. The chief executive of the Committee of Vice-Chancellors and Principals, Diana Warwick, told BBC Breakfast News that students might not gain their first choice of course. "It is just a question of whether or not the course that you, as a particular student wanted, will be available to you, and that is going to be a bit of a lottery," she said.

Baroness Blackstone, minister for education and employment, dismissed fears that students with deferred places will cancel their gap years as "irresponsible scaremongering".

She said: "If students who have deferred for a year were to rush for this year, they risk having to seek entry at the last minute into courses and institutions they would not otherwise have chosen. Raising fears like this is unnecessary and self-fulfilling."

A survey by UCAS of students who applied and qualified for university entry last autumn but opted not to take up a place found many had changed their mind over their chosen subjects during their year out. The finding will add weight to fears that pupils who rush for places this year to avoid fees may end up taking an unsuitable course.

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SHARP VLE34 WHILE STOCKS LAST

news

One man's dream green house comes to life

Neil Winder has designed and built the ultimate eco-home. It will resist the ravages of man-made climate changes and sit on stilts, so that future flood water can swirl beneath.

Eager not to further damage the environment, Mr Winder, an architect, also set about turning his four-bedroom timber-framed home into one of Britain's most environmentally friendly dwellings.

Instead of going down a sewer, human waste goes into a chamber where, aided by straw and sawdust, it is turned into compost for his roses.

Waste water from the sink and the bath is cleansed by a reed-bed system to purify it before it drains into a ditch. And instead of burning fossil fuels to keep warm, a three-tonne stove burns locally coppiced wood.

Mr Winder, 48, his partner, Flo Maitland, and their 10-year-old daughter, Molly, have lived for a year in the house called Star Yard at Pulgrave, near Diss, Norfolk, in the val-

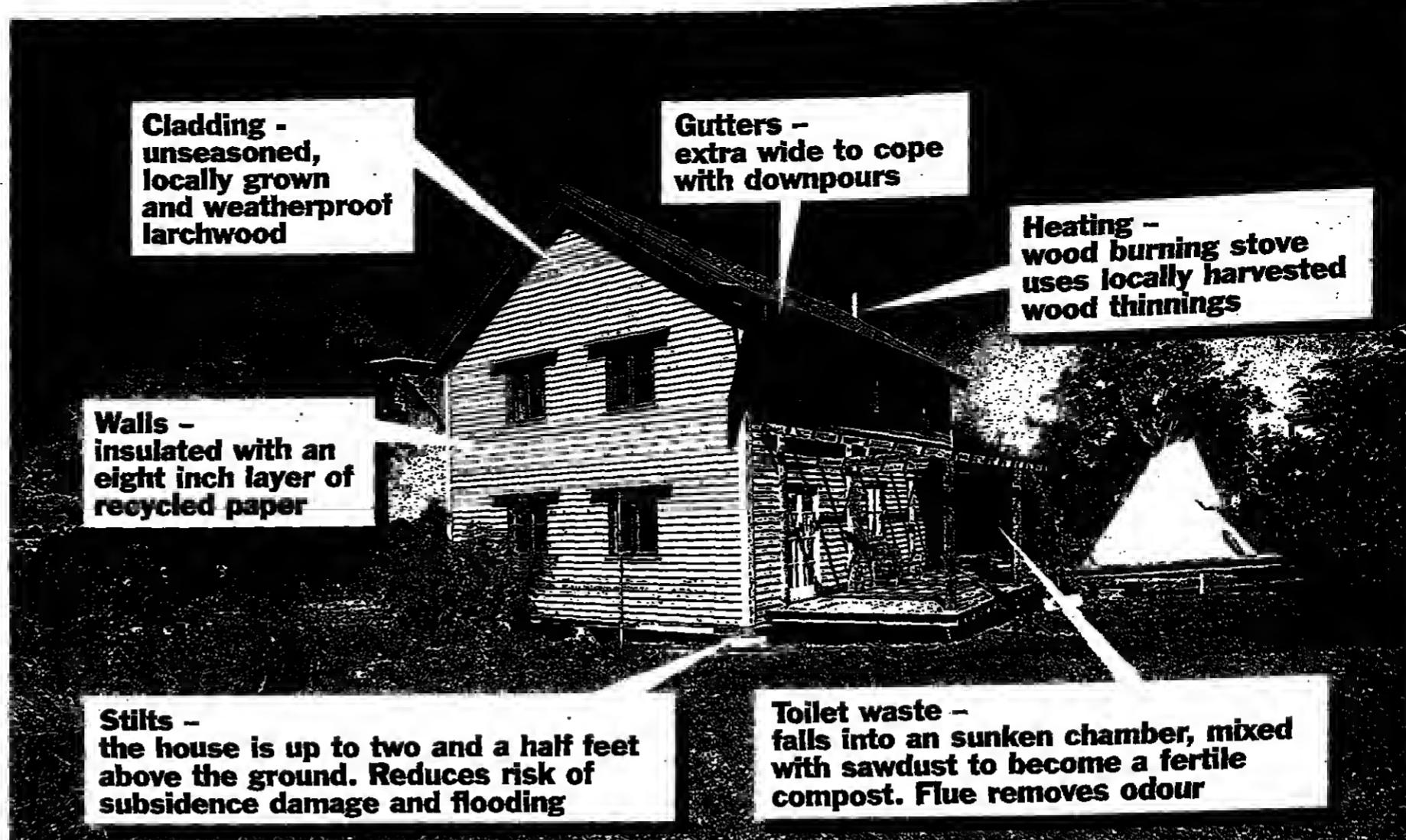
ley of the river Waveney. The walls, filled with eight inches of recycled paper insulation, keep the interiors cool in summer and warm in winter. They also "breathe", avoiding condensation problems.

The house is clad in unseasoned larch wood, an efficient and cheap rain barrier grown a few miles away.

Mr Winder also insisted on minimum use of lead, glues and toxic preservatives. The house stands up to two and a half feet above the ground on a dozen concrete stilts on individual concrete pads. As well as protecting against any flash floods, they reduce the dangers of subsidence caused by droughts shrinking the clay subsoil.

The roofing is extra strong to withstand gale force winds. And there is timber guttering twice the normal width to cope with future cloud-bursts.

The house cost Mr Winder about £68,000 to build - the same as building a conventional brick home. He



"I'm not an eco-fascist. I just wanted to cause the minimum of disturbance to the environment," says Neil Winder of his home

Photograph: Brian Harris

paid a local farmer £39,000 for the half-acre plot after getting planning permission from Mid Suffolk council.

There have been difficulties though, most memorably with the compost toilet. "We had a smell and

a fly problem at first, but this was completely overcome by altering the design of the flue," said Mr Winder.

Also, the reed-bed water filtering system suffered from a build up of grease, but he solved that by intro-

ducing a straw trap through which the waste water must first run.

The next phase is to introduce solar water heating and recycle the purified reed-bed water for use in the house.

Mr Winder said: "Nobody can say with any confidence what the world will be like in 40 years time, but you can make some guesses and that's what I have done.

"Scientists are saying we will be having hotter summers and periods of drought followed by sudden rounds of heavy rain and storms. I'm not an eco-fascist. I just wanted to go as far as I could in building a comfortable and functional family home to live and work in while causing the minimum of disturbance to the environment."

Top security prisoners banned from touching families

Jason Bennett
Crime Correspondent

An inquiry is to be launched into why some IRA prisoners and other top-security inmates in British jails are banned from touching their family for years, it was announced yesterday.

Evidence also emerged that suggests some of the country's

most dangerous convicted criminals are switching from taking cannabis to heroin in an attempt to beat drug tests. In one month more than half the positive drug tests were for heroin.

The revelations follow the publication today of the findings of an unannounced short inspection last September of Belmarsh high-security jail, in

south-east London, by the Chief Inspector of Prisons, Sir David Ramsbotham.

He will hold an inquiry later this year to review the visiting arrangements for prisoners deemed to be an exceptional risk at the country's six high-security jails.

Sir David's report highlights the condition faced by the

inmates kept in the separate special security unit inside Belmarsh.

All prisoners within the unit, which holds up to 48 men, including convicted IRA terrorists such as Paul "Dingus" Magee, who is serving 25 years for murdering a special constable, have closed visits - a plastic screen divides inmates from

prisoners. "For some this may mean they can go for years without being able to touch their children or wife, with the obvious effects on relationships," noted the report.

Sir David said there was far too little out-of-cell activity for Category A prisoners. They are only allowed out for 90 minutes a day.

There are six exceptional-risk inmates at Belmarsh, most of whom are IRA members, and 27 men considered high-risk.

The Inspectorate is concerned that at some high-security jails contact is allowed and wants to ensure prisons get the right balance between the needs of security and humanity.

In February, the Tory gov-

ernment turned down a recommendation by the former Chief Medical Officer, Sir Donald Acheson, that closed visits at the SSUs should be ended.

But the Prison Service did agree to regular three-monthly health checks for inmates.

Results from mandatory drug tests at Belmarsh reveal an

number of inmates found to have taken heroin. The proportion rose from 9 per cent of the positive results in December 1995 to a maximum of 54.5 per cent in June last year.

The inspectors also came across a mystery during their visit: how 12,000 prison library books had gone missing since 1991.

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A sound like thunder, then the DC-8 hit the streets of Miami



Mary Dejevsky
Washington

A DC-8 cargo plane crashed shortly after take-off from Miami airport yesterday and burst into flames in a warehouse district of the city, hitting a light industrial building and cutting power in the immediate district.

Three crew and a security guard were on board the aircraft which belonged to Fine Air. There were no reports of casualties but the intensity of smoke and flames suggested that there were unlikely to be survivors.

The crash is the second air disaster in US territory in a week. On Monday a Korean Air jumbo jet crashed into a hillside while attempting to land on the Pacific island of Guam. The plane, filled with mainly Korean holiday-makers, came down in a rainstorm at a time when some of the airport's navigation system was out of action and had been for a month.

Eye-witnesses in Miami spoke of the aircraft appearing to go "straight up almost like a missile" shortly before the crash; others described how it narrowly missed their office buildings and cars as it fell to the ground, saying that it was "like a whole plane on fire".

"He couldn't handle it, and I guess it went straight on down. We all witnessed it go down and explode," said James Moralez of the fire-rescue department, who saw the crash.



Devastation: Firefighters battle with the burning wreckage of the DC-8 cargo plane which crashed into an industrial district of Miami

Local residents said the area, which includes a major road and a post office, was usually busy in the middle of the day when the plane went down, and said it would be miraculous if no one on the ground was killed.

One man, who said he was only half a block away at the time of the crash, said the falling plane had "made a sound like roaring thunder", but that the main force of the impact had been on a parking area, next to the building that was hit. It was

not immediately clear how badly the buildings were damaged but it appeared they were still standing.

One witness said that he had seen one of the right-hand engines of the plane on fire shortly before the crash.

Fine Air, which was formed eight years ago, was described as an "established" company specialising in transporting freight in the southern US and Caribbean region. The crashed aircraft was on a flight to San-

Domingo in the Dominican Republic.

A spokesman for the US Air Freight Association described the DC-8 as the "workhorse of the US cargo fleet". It is a former passenger plane that was converted to cargo use with the arrival of the jumbo jet. Hundreds of them are in service across the country. Another specialist said the DC-8s were mostly 30 years old, but that with proper maintenance its age should not be a problem.

US investigators in Washington were yesterday examining the black boxes to try to establish the cause of the crash. The initially favoured explanation was pilot error.

Among the causes suggested for yesterday's crash included a flock of birds in an engine, a miscalculation of the thrust needed for take-off in the very specific conditions of heat and air pressure at Miami, or mis-loaded cargo.

There is no indication that

maintenance or airport standards played any role in either crash. However, standards of inspection and compliance at US airports have come in for severe criticism in recent months, most notably from a former inspector, Mary Schiavo, whose book on the subject caused a furore when it appeared earlier this year.

In Washington, the National Transportation Safety Board said a team of investigators was being sent to the site.

Anger and tears as Guam crash families beg to see dead

Richard Lloyd Parry
Guam

The aftermath of the Korean Air crash took a bitter and grisly turn yesterday, as families of the 200 people killed in the disaster begged in vain for access to the mutilated corpses of their relatives.

Four coachloads of Korean families, 300 of whom arrived from Seoul early yesterday, got their first few of the inaccessible spot where the Boeing 747 crashed on Wednesday carrying 254 people. Some took photographs, many wept helplessly, and others denounced the airline officials and local government officers escorting them. Sixty-nine bodies were recovered from the site on Wednesday, and yesterday 29 of the 35 initial survivors of the crash were alive. But 155 bodies have yet to be accounted for.

In Korea, a Buddhist country, the dead are traditionally accorded elaborate funeral rites. The families in Guam are convinced that technical demands of the investigation are being placed above the wishes of the bereaved. But a US source said the reason was simple: many of the bodies remaining are literally torn to shreds.

"I went back to the plane and called out, 'Can anyone hear me?' I heard a child screaming, and then there were explosions inside, so I couldn't approach. I think he must have burned."

"The accident was so sudden. Most people must have been just crushed in a sandwich. I think the pilot just flew too low. I don't have dreams yet - I am in a state of shock. But I still bear the screams of children."

Meanwhile, Rika Matsuda, the 11-year-old Japanese girl who was pulled from the burning wreckage by the Governor of Guam, Carl Gutierrez, appeared at a press conference in Guam with the governor yesterday. Rika, who escaped the disaster with minor cuts, bruises and concussions, was recovering quickly, her father Tatsuo said. Rika's mother was believed to have perished in the flames which engulfed the plane.



Rika Matsuda, the Japanese girl who survived the crash

it was pitch black. I had my seat belt on, so I wasn't thrown, and I unbuckled it. There was a hole directly above me and I started climbing out. Then I felt someone holding my leg. It was a lady, saying, "Please help me." I pulled her out, and together we walked about a hundred yards.

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Syria hears Israeli Arab plea for a real peace

Robert Fisk
Damascus

Confronted by what he regards as an Israeli government hell-bent on burying the "peace process", President Assad of Syria today takes the dramatic step of welcoming at least 50 Israeli Arabs to Damascus, seven of them members of the Israeli parliament, the Knesset. They were due to fly into Syria late last night on their Israeli passports for meetings with the president and with his foreign minister, Farouk al-Sharaa.

A delegation of Israeli Arabs briefly visited Syria in 1995 to express their condolences to President Assad after the death of his son, Basil, in a road accident, but today's visit allows the Syrian leader to show that he has political allies inside Israel itself - at the very moment when the Israeli prime minister Benjamin Netanyahu is being denounced in the Damascus press as a warmonger who seeks only to destroy the foundations of the "peace process".

The Israeli Arabs, who are flying via Cairo since no direct air links exist between Syria and Israel, include members of the Israeli Labour Party, Meretz, the Democratic Front for Equality and Peace, a number of journalists and more than a dozen members of Islamist movements.

"They are against Netanyahu's policy in the occupied territories," Mr Mohamed Salma, the Syrian information minister, said yesterday. "They want to achieve a real peace with the Arab states and they asked to visit Syria to express their support for Syria's position and to tell the world that people can co-exist."

Syria regards Mr Netanyahu's refusal to withdraw Israeli troops from the occupied Golan Heights as an Israeli betrayal of the 1991 Madrid peace conference which was specifically founded on UN Security Council resolution 242 - which called for total Israeli withdrawal from all occupied lands in return for security of all states in the area.

In the past, Israel's Arabs were regarded by the rest of the Arab world with suspicion and sometimes outright hostility. For 18 years, they lived under harsh Israeli military law while being regarded elsewhere in the Middle East as little more than agents of Israel. That Syria's strict Baathist regime should welcome them now emphasises how their role has changed - and how important they have become to President Assad.

"The Palestinians who stuck to their land in 1948 continued their struggle and sacrificed thousands of martyrs to the national cause. That's why we in Syria open our doors to them, contrary to the former situation," Mr Salma said.

Indeed, little could the Israeli Arabs - hitherto heretics in the Palestinian world - ever have imagined checking in at the Damascus Meridien hotel for meetings with Israel's fiercest Arab critic and his foreign minister. Over four days they will also be visiting the tomb of Saladin al-Ayoubi and the grave of Yusef el-Azmi, who led the doomed Syrian cavalry charge against French tanks at the battle of the Maysaloun Pass in 1920.

One can only imagine their thoughts when they are taken to the Nujah Martyrs' Cemetery in Damascus where thousands of Syrian military victims of the 1967 and 1973 Arab-Israeli wars lie - all killed by the country whose passport the visitors now carry.

■ Beirut - The killing of four more civilians, including a mother and her two children aged four and 10, brought the south Lebanon "ceasefire" to near-total collapse yesterday, as the Hezbollah fired at least 40 Katyusha rockets at Israel's occupation zone in revenge for the killing of five of their members by Israeli troops earlier in the week.

In the space of 12 hours yesterday, a militiaman in Israel's South Lebanon Army was killed by a Hezbollah bomb, while Israel's return fire killed a farmer. The mother and her children died in the bomb ambush in Merkava.



Eye of the storm: Pauline Hanson, whose extremism on immigration, foreign investment and welfare has struck a chord with voters

Photograph: Reuters

Australia declares war on the racist politician who is proving bad for business

Canberra (Reuters) - Australia has set up a special diplomatic unit to counter race-row politician Pauline Hanson's negative impact in Asia and to push her off the domestic and international political stage.

Deputy prime minister Tim Fischer said Australia's future lay in the region, and his conservative government would not allow anyone to sabotage its lucrative trade relationships with its Asian neighbours. The Images of Australia unit, headed by diplomats, will target Asian media and international news agencies to combat the image of Australia fuelled by Ms Hanson's prominence. It is the latest move by the foreign ministry to discredit Ms Hanson.

Mr Fischer said Canberra's regional diplomatic moves, such as its recent talks with Japan, were

aimed at "not only boosting our relations but dealing with those elements who would sabotage and divide and destroy those trading relations. That is something internal to government, but it reflects a government getting on with the task of seeing Hanson off the stage."

The move follows a secret campaign by the foreign affairs

department to discredit Ms Hanson, an independent politician, throughout the region.

Department sources said it had been ordered to run an anti-Hanson campaign, translating speeches and information discrediting her and giving it to foreign governments and media.

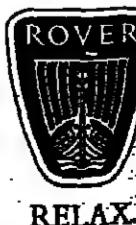
Prime Minister John Howard

and his Liberal-National government initially ignored Ms Hanson after she sparked a national race row last year, believing she would quickly return to obscurity. But her anti-immigration, anti-foreign investment and anti-Aboriginal welfare policies have struck a chord with voters worried by high unemployment and sluggish growth.

Polls show support for her One Nation party at between 7 and 8 per cent - enough to make her the third force in domestic politics and deliver an influential bloc in parliament if that is maintained to the next election due by mid-1999. She has also gained a high regional profile, with some polls showing she is better known than Mr Howard among Asian executives.

In Japan, comic strips have drawn the Hanson phenomenon into their story-lines, painting her as a racist damaging Australia's reputation and accusing Mr Howard of reviving racism in domestic politics. Foreign Minister Alexander Downer attacked Ms Hanson's policies during a speech in Singapore this week as "ethically reprehensible" and suicidal for Australian prosperity.

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RELAX

No help for refugees fleeing clouds of fire

Phil Davison
speaks to
victims of the
Montserrat
eruptions

St Peter's, Montserrat — Mary Irish, 87, born to slaves on a cotton plantation, is now in many ways worse off than when she was a child labourer during the First World War. She sleeps on the canvas of a wooden-framed cot, with no mattress, alongside 57 other women and children in the stone-floored Anglican Church of St Peter's. The stench of sweat is overwhelming.

As she told me her story yesterday, a siren wailed, telling us to blow again about four miles away, well within range of ash, gas and stones. But Mary was worried about only whether she would get bread for lunch as she had eaten no breakfast.

"Since we come here, we don't get nothin'. The government give us 100 dollars (£25) in food vouchers a month but I'm not a well woman. I can't walk far," she said. To our left was a rusty fridge, shared by all 58 refugees. To our right was the blue and white painted pupit, now used as a cupboard.

Outside, a lean-to provided a single toilet. Down a slope of overgrown grass, among gravestones and beneath a crimson-blossoming Flamboyant tree, was a breezblock square serving as a cold water shower. On various gravestones, refugees sat and scrubbed clothes in piles or plastic basins of water.

The scene was a pitiful example of how slow and disorganized Britain and the local government have been in pro-



viding decent conditions for the 1,300 homeless. Some have been put up with families in private homes, others are living in tents at a camp at Gerald's Bottom in the north. This week's regular eruptions, forcing evacuation of an earlier buffer zone, have made things far worse.

"I was in another church first, in Firth's, but they evacuate that on Monday when the volcano blows again," said Mary, her head wrapped in floral cloth from the same curtain material as her dress. "They wouldn't even let me take my mattress. We got time to take nothing." On her feet are a pair of tattered, oversized basketball shoes her son James, living in England, brought her during his last trip several

years ago. Just after we spoke, the volcano blew. Mary did not venture outside to see the churning mushroom cloud of brown and grey gas and ash that surged from the crater.

But then the church was bombarded by a storm of pebbles that blacked out the sun. Birds flew wildly in panic and the volcano created what was like a heavy fall storm covering the entire island in a thick layer of what looked and felt like dry cement.

The refugees — some, like Mary, homeless for the two years since the volcano first erupted, have arranged the pews in squares to enclose their own "homes." Some have put up hospital-like screens for a degree of privacy. Against one inside wall,

42-year-old refugee Delores Henderson has managed to set up a wooden loom to weave cotton for clothes.

Sitting with me on a grave-

stone, housewife Linda Daley told me how the volcano's pyroclastic flow — an avalanche of red-hot gas and ash — nearly killed her on June 25 in Harris's

village. "I be washin' some clothes when this stuff come up like a mighty sea," she said. "It don't make no noise. It come up with a mighty rushin' and I think

God was in that wind 'cos it blow away the heat. I got behind de school wall den I see fire over my head and my washbasin melt in front of me. I call up to Jesus and

say, Lord have mercy on me. Now, de government no help us at all. All dey give us is papers. I don't even have shoes so I can go to church. I suffocate wit de breath of the people here. I feel sick. Ask dem to get me a house, please."

Fifty yards below St Peter's Anglican church, the scenes are even more heart-rending. In a single-room former stone schoolhouse, 50 elderly or mentally ill refugees live and sleep on cots in what they call Scraps Memorial Centre. They call it that because they all try to make basic handicrafts from scraps of cotton material.

In one corner, 104-year-old Isley Bob shucks over his cot, slurping rice for breakfast from a plastic bowl. In another, 7-year-old Elizabeth Francis, a tall, beautifully-spoken refugee from the township of St. Patrick's, swats flies from her 43-year-old physically and mentally-disabled son Melvin, crumpled in a cot and wearing a dust mask to keep off volcanic ash.

Truth commission faces Hague court

Mary Braid
Johannesburg

The families of murdered anti-apartheid activists are planning to challenge South Africa's controversial Truth and Reconciliation Commission in the International Court of Justice in the Hague over its right to grant amnesty to the perpetrators of human rights crimes.

The move follows the release this week of Dirk Coetzee, a self-confessed state assassin of ANC lawyer Griffiths Mxenge, who was stabbed 40 times and had his throat cut in 1981.

Mr Coetzee should have been scotched today for the murder in Durban High Court but the TRC, a cornerstone of South Africa's negotiated transition to democracy, intervened on Moody's behalf by fast-tracking Mr Coetzee's amnesty application for Mr Griffiths' murder.

The commission, charged with exposing the truth about the apartheid era, has the power to offer amnesty to perpetrators in return for full disclosure of their crimes and proof they were politically motivated. The decision to grant

Mr Coetzee's amnesty is expected to be the first of many. Mr Coetzee, the former commander of the notorious apartheid-era Vlakplaas police hit squad, is today back at his desk at the National Intelligence Agency, now in the pay of the ANC government.

The ANC has looked after him since he defected to them in 1989 and hewed the whistle on the murders and atrocities committed by the National Party's state security forces. Mr Mxenge's family see the ANC's support of Coetzee as a betrayal of a man who gave his life for the struggle.

Today, the Mxenge family will appeal to the Durban High Court to overturn the TRC's decision, though two other High Court challenges to the TRC have already failed.

Yesterday, Cyril Morolo, who last year represented the Mxenge family and others (including the relatives of murdered Black Consciousness leader Steve Biko) in a failed bid to have the TRC's amnesty provisions declared unconstitutional, said he was now taking the families' cases into the international arena. He said it was a pity they were "so full of hatred".

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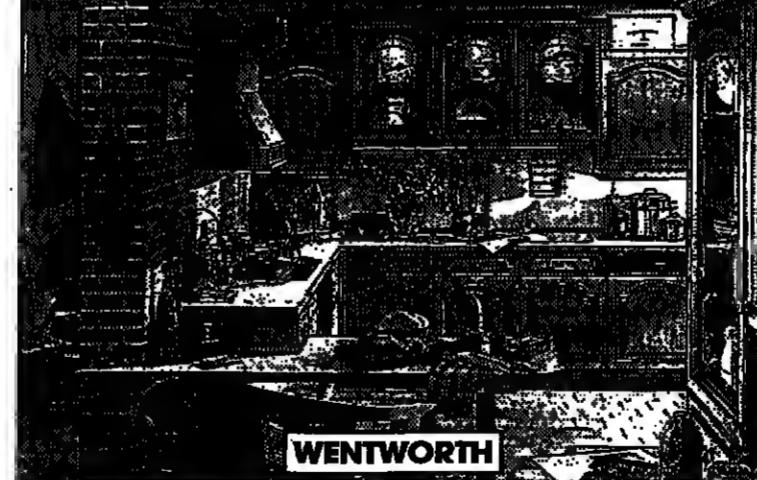
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Space odyssey: Repair crew dock at Russian craft as US celebrates successful Shuttle launch

Socket and spanner team join ailing Mir

Helen Womack
Moscow

Russia's cosmic repair men, Anatoly Solovyov and Pavel Vinogradov, docked successfully yesterday with the orbiting station *Mir*, which has been running on half power since it was involved in a space collision two months ago. About an hour after their Soyuz TM-26 rocket locked on to *Mir*, the crew arrived through the hatch to an ecstatic welcome from the two Russians and the American waiting for them on board the station.

The outgoing crew, Vasily Tsibliev and Alexander Lazutkin of Russia and the British-born US physicist Michael Foale, had some bad news for the relief team, however. They had failed to repair *Mir*'s oxygen generating system, which broke down earlier this week, because they lacked a spare part.

All five spacemen will be able to breathe, as they have back-up canisters with enough oxygen for two months. But fixing the generator will be an added headache for the repair men, who also have to overcome the consequences of the crash on 25 June.

It was the worst accident on the 11-year-old station, which has suffered a string of technical failures because it has outlived its service life, originally intended to be no more than five years. During a manual docking operation, a Progress cargo rocket bumped into *Mir*'s scientific module, Spektr, rupturing it so that it had to be disconnected from the rest of the station. The task of the repair men will be to seal the hole and reconnect Spektr to the

mother craft, which they will start to do on 20 August.

The job will be not only tricky but dangerous. Because Spektr is airtight, the cosmonaut who enters it will have to wear a full space suit as if he were on a space walk. The passage into Spektr is extremely narrow and debris may be floating around inside. A puncture in the suit would be fatal.

Commander Solovyov, at 49 a veteran with four missions and 456 days in space under his belt, will do the repairs while his flight engineer, Mr Vinogradov, will stand behind him holding a torch. Mr Vinogradov, on his first trip into space, was reported to have had a higher than normal pulse rate because of nerves during lift-off from the Baikonur launch pad on Tuesday but officials say he is settling down.

The latest mission is seen as crucial to the whole future of the Russian space programme. Moscow is hoping to exploit *Mir* for another two years. The United States is supporting Russia despite the mishaps because the two former rivals plan to have joint space station called Alpha by 2003.

However, the US space agency Nasa is reserving judgement about whether another US astronaut should replace Michael Foale when an *Atlantis* shuttle comes to pick him up from *Mir* next month.

The *Atlantis* will also bring the spare part needed to mend the oxygen system, a simple pipe which links the generator to the air intake. The old pipe is 11 years old and worn out like some part in a battered Lada car which, many ordinary Russians think, the once-prestigious *Mir* station now resembles.



Caught in flight: Space Shuttle Discovery lifts off from Cape Canaveral, Florida yesterday. The crew of six expect to stay in space for 11 days to carry out a scientific mission

US envoy puts pressure on war criminals

Rupert Cornwell

Bidding to salvage the Dayton peace accords he brokered 21 months ago, Richard Holbrooke yesterday ratcheted up pressure on suspected war criminals at large in the former Bosnia by meeting with the two top US military commanders who would have to give their blessing to any move to arrest them.

On the second day of his visit to Bosnia, the special envoy conferred in the northern town of Tuzla with John Shalikashvili, chairman of the joint chiefs of staff, and General Wesley Clark, NATO's Supreme commander in Europe.

No details emerged, but the message was clear: the allies are in earnest with threats against suspects like the Bosnian Serb war leader, Radovan Karadzic, formally barred from office, but who once the less wielded huge influence from his stronghold of Pale, east of Sarajevo.

Mr Holbrooke is the latest of

a series of high profile Western visitors, all of them with the aim of preventing the Dayton deal from unravelling. Thanks to the presence of NATO troops, the fighting has stopped, but a Bosnian state is as remote a prospect as ever.

Corruption is rife, progress towards common phone and aviation systems is far behind schedule, the symbols of statehood are virtually non-existent, and tribal hatreds constantly interfere with the return of war refugees to their former homes.

"If refugees aren't allowed to return, you will have a *de facto* division of Bosnia," Mr Holbrooke said after meeting Franjo Tudjman, the Croatian president, and the Muslim leader Alija Izetbegovic, in Split on Wednesday.

He has collected little more than promises, in this case a pledge by the Messrs Tudjman and Izetbegovic to prosecute any of their officials who had a role in the latest violence.

significant shorts

France holds ETA suspect

A Spaniard suspected of being the intelligence chief of the Basque separatist group ETA has been detained in southern France, police said yesterday. Igor Urestarazu Garro, a former policeman in the Spanish Basque region, was detained in Albi on Tuesday after a car chase and later taken to anti-terrorist police headquarters in Paris. Spanish police said Mr Urestarazu began intelligence work for ETA in Guipuzcoa and took on a major role after he fled to France three years ago.

Reuters - Paris

Oil spill halts sea sports

Police banned swimming, boating and fishing in the waters off two Normandy towns after fuel spilled from a tanker entering Le Havre. The port was temporarily sealed off to stop the slick from spreading.

On Wednesday, a Bahamas registered tanker hit the docks while trying to enter Le Havre, spilling about 120 tons of fuel.

AP - Le Havre

New co-premier for Cambodia

Cambodian Foreign Minister Ung Huot was appointed first prime minister yesterday, replacing the ousted Prince Norodom Ranariddh.

Reuters - Phnom Penh

Girobank

Girobank announces that with effect from close of business on 7 August 1997 its Base Rate was increased from 6.75% to 7.00% per annum.

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envoy puts
pressure on
criminals

Will the doomsters please look at the figures

The mongers of doom are making a rather a lot of noise about the state of the economy. Another quarter-point rise in interest rates and some commentators paint a picture of industrial collapse, rising unemployment and mortgage repossessions. This stew of gloom is overdone to the point of being burnt to the bottom of the pan. Yes, if you are with the Cheltenham and Gloucester your £50,000 mortgage will cost £9 a month more as a result of yesterday's rise in interest rates (other lenders are waiting and seeing). And yes, it will have gone up by £47 a month since the election – although, in many cases, the blow is softened by the society's windfall payout at some point over the past year.

It is also true that exporters are squeezing over our high interest rates, which have pushed the pound up to the sort of level that everyone agreed was totally unrealistic and unsustainable five years ago, when Britain was forced out of the European exchange rate mechanism. There is, of course, that advantage that if you are holidaying in France you can get 10 francs to the pound, which used to be a legend that grandfathers amazed small children with, along with amputations without anaesthetics and Labour governments – but that may not help all the people all the time.

And it is further true that we are in the middle of an overheated consumer boom of the kind that usually ends in

tears sooner or later – even though it is not fuelled by anything like the amount of borrowing which got people into trouble last time.

But look at the doomsters' case. Central is their criticism of Gordon Brown, the Chancellor of the Exchequer, for failing to take sufficiently bold action in his Budget to dampen consumer spending, leaving the authorities with the sole instrument of interest rates to control excessive growth in the economy. There is a pleasing symmetry to their argument. While the phrase "one-clue golfer" was coined by Sir Edward Heath to describe Nigel Lawson's reliance on interest rates in the last boom, Mr Brown made it his own, and it formed the backbone of Labour's opposition to Conservative economic policy at this point in the last cycle. But symmetry is no substitute for analysis. The circumstances are not the same. And it is not true that Mr Brown is relying solely on interest rates, having conveniently shunted off both responsibility and blame for raising them to a newly independent Bank of England. Within the constraints of Labour's election pledges, Mr Brown raised taxes as much as he could in his Budget. In particular, the big increase in stamp duty on house sales over £100,000 and the advance notice of a further cut in the mortgage tax subsidy next April will help restrain house-price inflation. The wisdom of Labour's pledge not to raise income tax rates is being questioned re-

spectively by City scribblers who want more cash taken out of consumers' pockets, and by Roy Hattersley, Labour's Lord Bountiful, who wants to give more to the poor. But it is too late now: Labour made that promise for the right reasons, and the electorate has endorsed it emphatically.

Gavin Davies, one of the wisest of the City's wise persons, has written in our columns that if the Chancellor were to use taxes on the consumer as an economic lever, it would require massive rises to have any significant effect, and only then after a long lag. That was the

reason for use of the tax system to fine-

tune the economy becoming discredited.

The present clamour for such fiscal med-

dling is therefore puzzling.

Equally puzzling is the amount of at-

tention that has been paid to the fact

that there have now been as many as

four rate rises since the election. But

these have been quarter-point changes,

and so the total rise since 1 May from

6 to 7 per cent amounts to a single per-

centage point, which itself was the stand-

ard unit of movement in the bad old

days. It may not be comfortable for

home-owners, but financially committed

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analysis

A strike at the heart of Nirvana

Low inflation, full employment, record stock markets – but, says

Mary Dejevsky, American workers are footing the bill. Are they about to stop paying?

The United States – which is currently acknowledged to have the strongest and soundest economy in the industrialised world, has, since Monday, been in the grip of its biggest strike for 14 years. The transport and courier company, United Parcel Service, whose ubiquitous brown vans with their subdued gilt lettering deliver 80 per cent of the US small package freight, is at a standstill. Some 190,000 unionised workers – two-thirds of the workforce – have withdrawn their labour; more than 12 million packages and mail-ordered goods (which, because of the distances and paucity of local shops in the US, account for a massive volume of business) are piled up in depots. An estimated 5 per cent of the country's gross national product, according to UPS, is "not moving".

In the US, as in Britain, a strike of this magnitude and disruptive potential seems a historical throwback to a pre-

Thatcher, pre-Reagan era – before unions were tamed, managers learnt to manage, and workers understood that times had changed. And this is one way the UPS strike is viewed: as an aberration, a last gasp of the Teamsters, one of the few strong trade unions in the US, one of the few sectors – haulage – where it still has clout. If this is true, the strike will be short-lived, a little more of the Teamsters' remaining power will have been spent, and the strikers – with a few meagre gains and much lost pay – will return to work, grateful still to have a job.

But another interpretation is also possible. According to this, the UPS strike would not be a vestige of the past, but a harbinger of the future and a warning that not all is as right with the country's economy as mainstream economic analysts and most US politicians would have us believe.

At present, the very strength of the economy seems to argue against this. Over the past year,

the US has achieved a combination of positive indicators that had, hitherto, been regarded as virtually impossible for any developed country. Unemployment falls by the month, and is currently at its lowest since November 1973. Welfare rolls are also falling as rules in many states are tightened. The inflation rate, meanwhile, is negligible and – despite repeated predictions to the contrary – still shows no sign of budging. Interest rates are at their lowest for many years, encouraging mortgage borrowing and consumer spending. Company profits are by and large at record levels, so are exports, and the dollar is strong

against all major currencies. Perhaps the most surprising indicator has been share prices, which are still breaking records almost daily. As they rose, one analyst or other would forecast that they could go no higher – but they did. And now, the word is that they could rise higher still. The logic is that there are simply no serious negative factors to dent market confidence. On top of all this, President Clinton has just finalised an agreement with Congress, which has a Republican majority, on a budget plan designed to help the boom continue and eliminate the domestic budget deficit by the year 2002.

All in all, the US economy in 1997 seems to many to have reached a state akin to Nirvana, where all the variables are in balance, harmony prevails, and each positive indicator reinforces the other. So strong does the US economy appear that even the professional eyeore of the financial establishment, the Chairman of the Federal Reserve, Alan Greenspan, was compelled to sound a rare note of optimism when he appeared before a Congressional committee last month – helping to push the stock market even higher.

Perversely, it seems that only a surfeit of good news is capable of clouding the picture, and that only temporarily. The last unemployment figures, which showed a further fall to a

national rate of 4.8 per cent, caused a brief fall in the stock market as, for the first time, dealers feared that a shortage of labour could increase wages and so inflation.

The stock market, though, may have a point. It is pay, or at least one aspect of pay, that lies behind the UPS strike, and this is why the strike could be at least as much a pointer to the future as a throwback to the past. UPS workers are protesting about the increasing use by UPS of part-time, temporary staff, who are paid half as much as full-time employees and qualify for fewer benefits, including the all-important health insurance. The Teamsters union wants UPS to increase the number of full-time jobs and improve benefits for part-timers. Behind the demand is not just the issue of fairness, but the fear of full-time employees that UPS will reduce its full-time payroll and make up the numbers with part-timers who comprise 35 per cent of workers.

UPS says that it needs the flexibility of part-time working. It also says that pay for part-timers, at just short of \$10 an hour, almost twice the minimum wage, is respectable. (Full-timers earn twice that.) But although UPS is regarded as a good employer, a single breadwinner would still find it difficult to support a family on this salary. For a part-timer

working – as the full-timers claim – almost full-time hours, it is impossible – especially as the temporary nature of the employment makes it difficult for the individual to obtain a mortgage or any other form of the credit on which so many Americans run their lives.

The workers' complaints are sharpened by the contradiction they perceive between their own situation and the picture of the US economy (as well as record company profits), they hear and read of every day. Essentially, inflation remains low, in part, because wages – despite the very low unemployment rate – are rarely rising, and they are rising least for the lowest paid.

This is producing a groundswell of resentment and a readiness to strike that is uncommon for the US. Last month, General Motors had to suspend work at several plants because of a strike by parts manufacturers over layoffs. The company's policy of "just in time" production, where a minimum of components are stored, made the strike more effective than it might have been in the past, and a settlement was agreed within days.

Optimists about the US economy stress that the car and haulage industries are unusual in having strong unions and that widespread labour unrest is highly unlikely. The recent tightening of welfare regulations will make unemployment even harder to bear than it was before, so most low-paid workers will probably just grin and bear it.

This will not, however, prevent frustrations being vented in other ways – none of which would be good either for the social climate or the prosperity of the US. There is already a tendency to blame immigrants (legal and illegal, and mainly from south of the border) for depressing wages, a trend that brought the referendum vote in California two years ago to abolish benefits – including health and education – for children of illegal immigrants. This year the same tendency almost caused legal immigrants to be excluded from health benefits until they became US citizens.

The much-coveted North American Free Trade Agreement – Nafta – is also being blamed, for having encouraged US manufacturers to shift production to Mexico, where labour is cheaper, so reducing wages in the US, especially in border areas. The official Administration line is that Nafta has had no perceptible effect on wages in the US. Figures supplied by states bordering Mexico, however, tell a different story, and – even as President Clinton was celebrating his "balanced budget" agreement with Congress – he quietly signed over additional financial assistance to those states to safeguard jobs.

Elsewhere in the US, hostility towards the US is growing towards former welfare recipients who are increasingly being made to work for their benefits, for pay which works out at less than the minimum wage. Again, despite official denials and insistence that safeguards are in place, there is evidence of a "displacement" effect, with employers letting full-timers go because "welfare" recipients are cheaper. Mr Clinton's call for states to ensure that this does not happen indicates that the situation is far from satisfactory. Overall, there is the likelihood of increased sullenness in the low-paid, unskilled workforce that could impair productivity, quality and reliability.

These are not the only dangers that may be foreshadowed by the UPS strike. The cause of the protest – low wages and growing "casualisation" of the workforce – illustrates that the supposedly perfect balance of the economy is, in fact, precarious. If labour becomes even scarcer, wages may have to increase, with the accompanying risk of higher inflation. If, as a result, production costs rise, companies – reluctant to cut profits – could decide to cut staff. Despite all the "downsizing" of the past decade, there still seems plenty of slack in many sectors compared with Britain.

More people have been employed in the US, up until now, in part because firing and firing is easier and unskilled wages are low. But productivity (per employed worker) is also relatively low. Despite new technology, it has not increased nearly as rapidly in the past 25 years as it has in Europe. This discrepancy, which has tended to be masked by different methods of calculating productivity – with Europe counting only those employed and the US counting everyone of working age – is suddenly the subject of much specialist debate in the US.

If there is another wave of "downsizing" – and this was the cause of the recent General Motors strike – unemployment could also rise. This might not just damage the economic picture; it could also sorely test the welfare reforms whose success so far has relied on the economic boom and the availability of jobs.

These are hypothetical scenarios. The US economy may continue to boom, companies and consumers may continue to benefit from cheap imports and cheap labour, and low-paid workers may have no choice but to accept what they are given and strive, in the all-American way, for something better. What the UPS strike does illustrate, however, is that the economic boom has not spread its largesse nearly as widely as is often believed and that a small push from below could bring its Nirvana-dreaming economists crashing back to earth.

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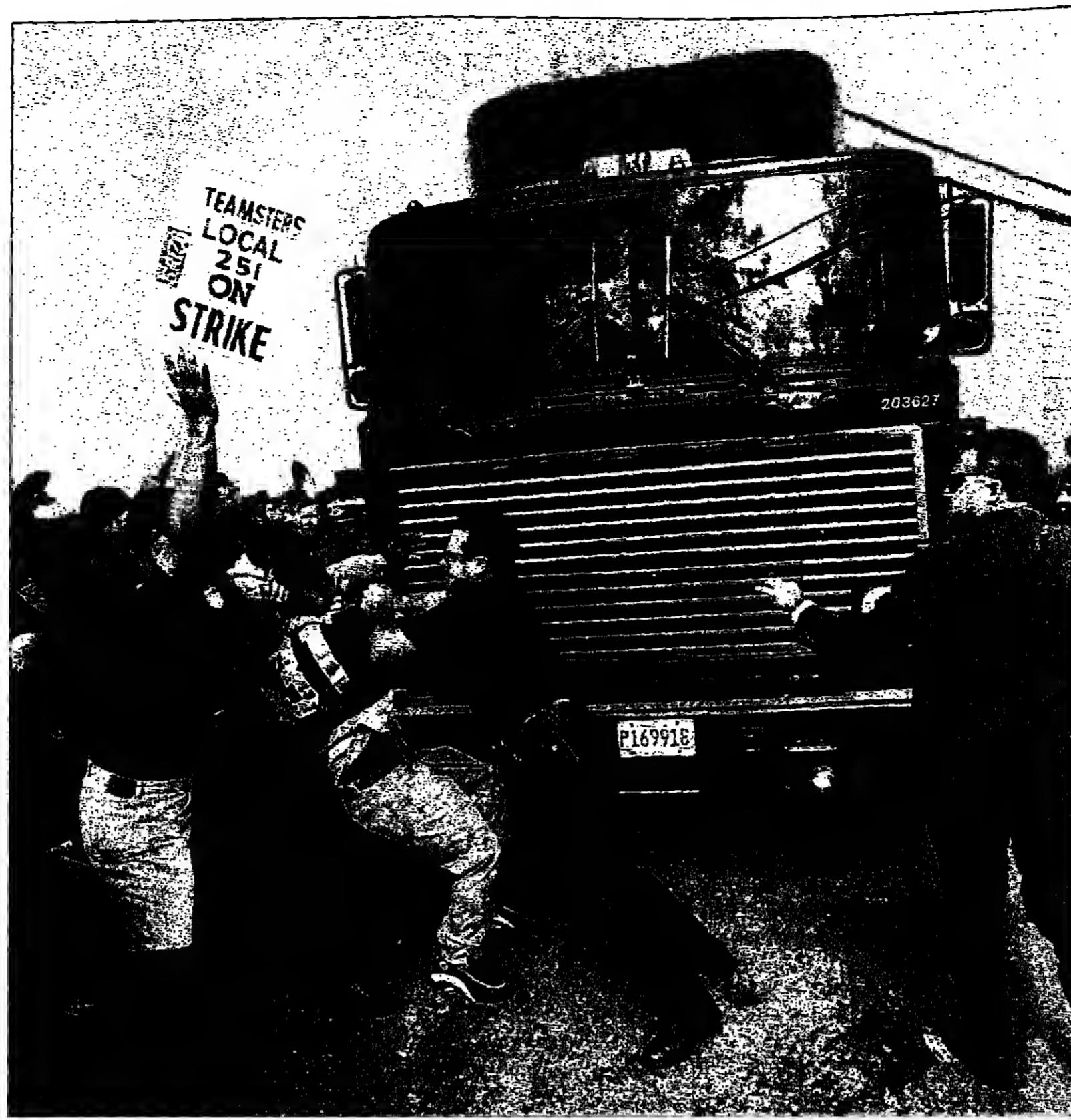
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The price of economic growth? Two-thirds of UPS staff are striking over pay in the biggest US dispute for 14 years. Photograph: AP

ity is growing towards former welfare recipients who are increasingly being made to work for their benefits, for pay which works out at less than the minimum wage. Again, despite official denials and insistence that safeguards are in place, there is evidence of a "displacement" effect, with employers letting full-timers go because "welfare" recipients are cheaper. Mr Clinton's call for states to ensure that this does not happen indicates that the situation is far from satisfactory. Overall, there is the likelihood of increased sullenness in the low-paid, unskilled workforce that could impair productivity, quality and reliability.

These are not the only dangers that may be foreshadowed by the UPS strike. The cause of the protest – low wages and growing "casualisation" of the workforce – illustrates that the supposedly perfect balance of the economy is, in fact, precarious. If labour becomes even scarcer, wages may have to increase, with the accompanying risk of higher inflation. If, as a result, production costs rise, companies – reluctant to cut profits – could decide to cut staff. Despite all the "downsizing" of the past decade, there still seems plenty of slack in many sectors compared with Britain.

More people have been employed in the US, up until now, in part because firing and firing is easier and unskilled wages are low. But productivity (per employed worker) is also relatively low. Despite new technology, it has not increased nearly as rapidly in the past 25 years as it has in Europe. This discrepancy, which has tended to be masked by different methods of calculating productivity – with Europe counting only those employed and the US counting everyone of working age – is suddenly the subject of much specialist debate in the US.

If there is another wave of "downsizing" – and this was the cause of the recent General Motors strike – unemployment could also rise. This might not just damage the economic picture; it could also sorely test the welfare reforms whose success so far has relied on the economic boom and the availability of jobs.

These are hypothetical scenarios. The US economy may continue to boom, companies and consumers may continue to benefit from cheap imports and cheap labour, and low-paid workers may have no choice but to accept what they are given and strive, in the all-American way, for something better. What the UPS strike does illustrate, however, is that the economic boom has not spread its largesse nearly as widely as is often believed and that a small push from below could bring its Nirvana-dreaming economists crashing back to earth.

Superfluous maybe, but very highly specified

Last Sunday the Innovations mail-order catalogue dropped out of the surrounding newspaper and onto the floor, with a pleasant and inviting thwack. So I threw the paper away (who wants to read yet another bloody cult-trailing article about *This Life* anyway), and read the catalogue. Soon I was lost in another, better world, a world in which any problem – no matter how small – could be solved.

"A breakthrough in home treatment of spots and cold sores?" I read. In the accompanying picture is something long and cold, with a red bit at the end: something looking remarkably like ET's healing finger. So tell us, catalogue, what does it do, exactly? Well, it "employs the bio-stimulating effects of low-intensity narrow-band light at a wavelength of precisely 660 nanometres in order to stimulate fibroblast proliferation and mediators of wound repair and inflammatory process healing". Sorry? "In layman's terms it is designed to have a beneficial effect on facial spots." And it only costs

£29.95. Which is an amazing bargain for something that is probably done in hospitals with a machine costing two million quid.

What's next? "The height of glove technology". Ye-es, now I can see why the Explorer currently bumbling about on Mars is the height of space technology. But what is meant by "glove technology"? Well, these particular gloves are made out of special substances, cunningly bonded together. There is 'lasan' (as worn in CS Lewis books), a "layer of PORELLE", and – finally – a stratum of "Thinsulate – the advanced thermal insulator". Put them together, and you have something equally handy dog-sledding in Greenland or putting out the rubbish on a cold day.

Which brings us on to "Maximum performance outdoor headwear", a slightly nerdy looking object which is "technically specified for seriously chilly polar conditions" (thus distinguishing itself from caps that function only in frivolous chilliness), and is constructed out of "Tactel fabric, coated with Rainlife 2000 and

you push the top, slides open to reveal a compartment within which your spare keys are hidden. Simple!

But hold on a moment. This catalogue is only seen by about five million people, some of whom are likely to be burglars, or to know burglars. Pretty soon the information that thermometers are being used as handy places for hiding the keys to houses stuffed full of jewellery, videos and tempting catalogue products, will be common knowledge in the prisons and borstals. Giving up their hunt under bricks, stones and gnomes, Britain's housebreakers will zero in on thermometers.

The resulting mercury-busting crimewave would piss almost everybody off: those who already hide their keys in their thermometers, those who have thermometers which are safely protected by layers of Thinsulate and Tactel – will respond to a whistle by climbing out of the letterbox and returning itself to you? Nope. It is an outdoor thermometer which, when

you push the top, slides open to reveal a compartment within which your spare keys are hidden. Simple!

Meanwhile I hope others will enjoy the "use anywhere Mini Backscratcher" (just lie down with this carefully crafted beechwood appliance in the bus tube, cinema or aeroplane), will benefit from the "efficient and hygienic blackhead removal" gadget, take comfort from the Dentak NightGuard which fits into your mouth and stops you grinding your teeth at night, and will economise by getting the most out of their tubes of toothpaste with the "Squeezit".

And, before you ask, yes, I have bought stuff from this catalogue myself before. It's just that my purchases were more sensible and practical than many of the items that I have mentioned. My partner agrees that she has benefited enormously from the "one-eye-at-a-time" make-up glasses, with independently hinged, flip-up lenses. Which "fold away like normal specs when not in use". Miles Kingston is on holiday



David Aaronovitch

150

One hundred days can be a short time in politics

The original "100 days" concept was borrowed by Harold Wilson from Jack Kennedy. Four months before the 1964 election Wilson had mused that the incoming Labour government would have to do what JFK had done "after years of stagnation in the United States. He had a programme of a hundred days - a hundred days of dynamic action." There was, however, no glitz 100-day press conference in January 1965 of the sort that John Prescott and Peter Mandelson, representing a Prime Minister enjoying his Tuscan holiday, will give today. What was actually happening at the 100-day mark was that the pound had been in free-fall, the foreign secretary had lost his career in a catastrophic by-election defeat in Leyton, the majority was down to three, and the question of every minister's lips was "bow long will last?"

They were saved, in large part, by the death of Winston Churchill, on the 99th day, an event which dissolved Parliament for a week and gave it the respite the exhausted government needed. With that wonderful self-preoccupation that is still characteristic of almost every top politician, Richard Crossman, engulfed in a now long-forgotten row of his own, noted in his diary that the national mourning for the century's greatest Prime Minister "should make things easier for me in this mortgage affair. If we had had the debate on Wednesday I should have had some explaining to do."

But by any standards, the Blair government has quite a lot to celebrate. Even the setbacks seem palty by comparison. The failure to gain Uxbridge pales beside the gruesome loss of Leyton; the export-threatening value of the pound is still a better problem to have than the sterling crisis that engulfed Wilson in the winter of 1964-5. There isn't much sign, apparently, that even the raggednesses of the past 10 days or so has seriously dented the Government's popularity. An electorate that willed this government so spectacularly into office is still, to judge by the known polls, willing to do so.

And so, so far, it has. You can't accuse a government that has surgically amputated the middle-class perk of free university tuition, gamboled on the concessions needed to secure a new IRA ceasefire, and raised a £5bn windfall tax from the utilities for the explicit purpose of reintroducing the hopelessly unemployed and unemployable into the labour market, as over-cautious. The latter measure, particularly, gives the lie to the notion that the Labour programme is merely a matter of making a "Tory free market work better than it did."

And for all the justified unease about the control-freak mentality at the heart of the new Whitehall, this hasn't looked like a government shy about sharing power. The directly elected mayor of London, who will have vastly more people voting for him personally than any other politician in Britain, will be a big figure, probably more famous than all but a handful of cabinet ministers. He will get irritatingly under the feet of the Prime Minister. So, too, will the Scottish first minister. It used to be a truism that ex-chancellors were invariably in favour of surrendering control of interest rates to an independent central bank, but that serving ones never were. Brown has broken that rule. Blair



Donald Macintyre

Sure, to be fully tested, Blair needs a real crisis, but there are still ample grounds for satisfaction in San Gimignano

has conceded to the Liberal Democrats, when he didn't need them, the principle of proportional representation for the European elections which Jim Callaghan denied them even when he desperately did. Neither that, nor the even more unheralded decision to confer cabinet committee membership on Paddy Ashdown and his most senior colleagues, means that Blair has at last decided to ensure a truly multi-party Britain by personally backing proportional representation for the Commons (though it's an intelligent bet that the general election after next will be carried out under the semi-proportional Alternative Vote system). But both steps underpin Blair's claim to be the least tribalistic politician in the country. And finally, a White Paper at the end of next month will empower British judges, as never before, to oversee the executive through incorporation of the European Convention of Human Rights.

This isn't to be blind to those difficulties and faults that threaten to worsen when the British people start to fall out of love with their new government - as they inevitably will. It may not be possible to wish away the sterling problem; the dilemma over whether or not to raise unpopular consumer taxes to slow the boom, could yet survive until the next budget in March. And while the Government was vastly better prepared for office than expected, not all of it has yet perfectly adjusted to governing, which sometimes seems a little as if all the

arrogance that ministers kept commanding up before election, tends to seep out here and there now it's over. The problem, now happily resolved, of Lord Simon wasn't that he was remotely dishonest or even as a minister anything but an asset. It was that some of his colleagues temporarily failed to see that if he had been a "Tory hanging onto his shares, he would have been extinguished by Labour, a victim of those very standards set by the party in opposition. Press manipulation, appropriate in winning elections, isn't always as useful to the slow and lasting building of a reputation in government. There are decisions boldly made, but whose consequences are still in the future, like the one to create the millennium dome. And the tragic death in Paisley of the MP Gordon McMaster has exposed what threatens to be a crisis in the Labour Party in the west of Scotland - one which will have to be confronted before the process of selecting candidates for the new Scottish Parliament begins in earnest. And so on.

But there are still ample grounds for satisfaction in San Gimignano. Sure, to be fully tested Blair needs a real crisis, of the sort Wilson faced all too early, and that Thatcher chronically had in the first two years of office as she battled with her Cabinet over the central tenets of her economic policy. But the 100 days have kept alive the new, and surprisingly solid, hopes invested by the electorate in politics. It's entirely healthy, for example, that Gordon Brown should take the trouble to argue in public with Roy Hattersley about their differing views of what equality means. It's not a new debate, but what has changed is that when Brown says that Labour's task is to reunite a divided society, he now has the chance to prove he's right.

already? Because Apple had the good ideas, but Microsoft had the muscle. The two have always been arch-rivals, incompatible: you can't put Apple software on to a machine that runs Microsoft's Windows operating system, and you can't run Windows on an Apple machine. They're water and oil, chalk and cheese, Tom and Jerry. Yet now they're strangely



Crunch time: Apple co-founder Steve Jobs dwarfed by a video-linked Gates at the MacWorld Expo, Boston Photo: Reuter

Effective? Certainly. Gary Kildall, founder of Digital Research, wrote bitterly in his memoirs, "I have grown up in this industry with Gates. He is divisive. He is manipulative. He is a user. He has taken much from me and the industry."

Sneaky? That doesn't concern Gates. His real worry, and his most significant fight, has been against the US Department

There is a perception (reinforced by Microsoft's huge marketing operation) that it never makes mistakes. That's entirely untrue. But Gates knows that it's better to make a lot of decisions quickly, correcting as you go, than to move slowly and correctly. Much is often made of his stock value. People assume he's in it for the money, that he wants to own the world.

From meeting and interviewing him, and watching him operate for more than 14 years, I would say that actually he doesn't care about money. What he wants is for the world to agree that he's always right, and get itself in order so that what he thinks turns out to be right.

His vision of the future, as depicted in his book *The Road Ahead*, is dull and full of platitudes, lacking the sparkle of diversity and danger that real endeavour encourages.

Without Apple, Microsoft would be a logical target for a break-up on monopoly grounds. A three-way split, into an operating system company, an application software (such as word processing and spreadsheets) company, and an Internet software company would be logical. It would destroy the empire Gates has worked so intensely to create. Therefore, keeping Apple alive is utterly in his interest.

Microsoft and Apple have always been arch-rivals, yet now they're strangely linked, because Gates needs Apple to survive

linked, because Gates needs Apple to survive.

That's surprising, because in the past, Gates has never been afraid to fight dirty to see off rivals. For example, in 1991, a company called Digital Research developed an operating system called DR-DOS, that would run underneath Microsoft's Windows 3.1. The advantage for computer buyers would be one of efficiency: DR-DOS or Microsoft's MS-DOS. Let the best product win.

Except Microsoft's programmers responded by inserting a few lines of programming code into Windows 3.1 that detected DR-DOS if it was being used, and flashed up a screen message saying "non-fatal error detected". Non-fatal? What the hell did that mean? Users, frightened by the gobbledegook, bought MS-DOS instead, which didn't come up with inexplicable messages.

was always strangely tardy in writing programs that could run on them. MS-DOS versions were always there first - even though the software and the operating system are written in different parts of the company.

But though Microsoft years ago won the commercial battle, it couldn't win the ideas battle. Apple was years ahead in offering an operating system for a personal computer which relied on "windows" - a "Graphical User Interface", or GUI - rather than one based around typing commands and file names at a blinking prompt (known as the "Command Line Interface", or CLI).

CLIs are what you see in films to denote behemoth machines. The blank screen's blinking cursor immediately suggests that the machine behind it is both complicated, unfriendly in the user (unless you know the magic words, it

ment of Justice's anti-trust lawyers, who have investigated Microsoft's near-monopoly of the desktop several times.

Without Apple, Microsoft

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an application software (such as word processing and spreadsheets) company, and an Internet software company would be logical. It would destroy the empire Gates has worked so intensely to create. Therefore, keeping Apple alive is utterly in his interest.

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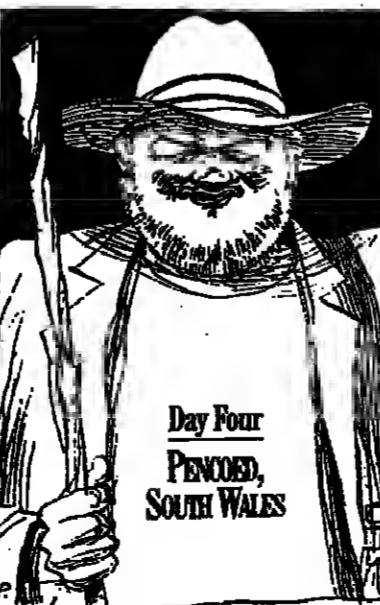
Wales: home of the Japanese boyo

There was no one in the bar who was not Japanese when I arrived at the Maerdy Hotel in the village of Pencoed. Though the hills behind it were those which demarcate the edge of the valleys of South Wales, in my neat little bedroom there was a notice which informed guests that, on channel 5, Japanese television was available. Downstairs in the dining room the menu insisted on chips with everything, yet everyone in the dining room was eating rice with their gammon or steak. Everyone here, too, was Japanese. Beneath it all ran the surreal soundtrack of the hotel's piped music in which a Johnny Cash soundalike was singing "The City of New Orleans".

I had expected the train from Newport to be a local shuttle on a sleepy Welsh branch line at the end of my journey from Cornwall. But I had misread the geography and the local economy considerably. The train which pulled up was a long Intercity and the line along which it travelled - I was later to discover when I found that my bedroom was well within earshot of the railway - was busy all day and night with heavy freight carriage as well as passenger expresses. This was the line which joins Cardiff to Bridgend, Port Talbot and Swansea. Once it had carried the coal and steel that were carried through the veins of the heartland of industrial Wales. But things have changed.

The centre of the nearby town of Bridgend, where I had alighted, looks like any unremarkable British small town, with its small branches of the usual chain stores and its unprepossessing local shops. But its fringes tell another story. Along its

A JOURNEY AROUND THE WHOLE ISLAND OF GREAT BRITAIN



WITH
PAUL VALLEY

rude thing to do." There followed half an hour of serious briefing.

"Is there anyone I could practice on?" I asked at the end. The next day I was down the road at Diaplastics UK, a Mitsubishi-owned injection-moulding company that makes the plastic cases for TV sets. He looked around. No, the early birds were already in bed. And the late ones were not back yet.

"Many of them are out at 7.30am and not in till midnight," he said. "Recently I had one check in after a three-hour ride to Tokyo airport, 13-hour flight to Heathrow, a train to Reading, another train to Bridgend and then a taxi here. He arrived at midnight and asked for a 6.30am breakfast so he could be at his workbench at Sony by 7.30am. They are hard workers."

By way of compensation he took me backstairs to the kitchen to show off the Japanese rice steamer that one of his long-term guests had donated to the hotel kitchen. "We now serve Japanese rice for breakfast too," he said, pulling out a large sack of the stuff. "I had to go a long way to get it - to Cardiff," he said, extracting a handful of the short, stout grains that produce the sticky breakfast fare. For purposes of comparison he scooped from another sack a handful of elegant Basmati grains: he smiled, too much of a diplomat to pass comment in words.

Before bed I wandered up the road to the village of Pencoed, past cramped terraced houses and new bungalows. By the Salem Chapel (1775) where an all-girl youth group was meeting, I spotted a lone Japanese engineer on his way back to the Maerdy and tried to engage him in conversation. He bowed and

switched a smile and responded monosyllabically. It was not clear whether he did not understand or whether he simply considered my questions impertinent.

What I wondered, as we parted and I continued my perambulation, was the make of the place, with its oversupply of chin shops and discount carpet stores, the strange notice in someone's front window which read: "Gone to garden party at Buckingham Palace! Beware Mother-in-law, and the pub which, though it was a weekday evening, was full of locals who looked as if they had stepped off a charabanc, with children running round and one even in a pram chair though it was after 10pm? The air was filled with raucous chatter so heavily accented that it was barely possible for an Englishman to understand, let alone a Japanese, had he displayed the lack of taste to venture in.

Back at the hotel the TV was showing a depressing regional news bulletin. A local toxic gas leak. Rioting on a Cardiff housing estate. A Crimestoppers appeal for information on a man who loads supermarket trolleys with wine and runs out into the street without paying. I switched to Channel 5 and watched a giddy sushi-bar comedy about the gastronomic adventures of the Japanese equivalent of Compo, Foggy and Clegg (complete with frilly pinny). Oriental family values meet the occidental soap opera? It felt simultaneously familiar yet totally incomprehensible. But then perhaps it would be an apt preparation for the next day.

Day Five of Valley's Journey will appear next Tuesday.

obituaries / gazette

Air Chief Marshal Sir Denis Smallwood

Air Chief Marshal Sir Denis Smallwood was one of those rare men who were equally successful in conducting and planning military operations. His personality and always cheerful disposition made him, too, universally popular at all levels within and outside the service.

The Royal Air Force has been remarkably fortunate in producing a number of such men. "Splinters" Smallwood was commissioned in 1938 and his first appointment was to No 605 Auxiliary Air Force Squadron to whose atmosphere he was temporarily well suited. In 1940 he was transferred to No 87 Hurricane Squadron, of which he later took command. Owing to the somewhat artificial time-scale imposed on the official duration of the Battle of Britain he did not qualify as taking part in it, but thereafter saw a great deal of intensive action and made a fine and justified repu-

tation for himself. His DFC was awarded after the abortive raid on Dieppe on 19 August 1942 when he led three sorties in one day against heavily defended German cliff-top defences.

After a period commanding 286 Hurricane Squadron Smallwood took up a Spitfire Wing in 12 Group in the South West, eventually operating in support of the D-Day landings. For his outstanding skill and inspirational leadership in support of these operations he was awarded the DSO.

After further active service, when peace came he became an Air Ministry planner and began to establish a reputation for thorough and far-sighted competence. However, albeit reluctantly, in 1956 he was involved in the planning and preparation for the disastrous Suez campaign about which he found it impossible to be confident. His scathing personal

opinion of that campaign, that it was "a monumental political cock-up", was not exaggerated. But the RAF performed its role with meticulous accuracy in an action which certainly justified all the criticism aimed at its purpose and concept.

His next command appointment was to the Bloodhound Surface to Air Missile Wing at North Coates in Lincolnshire in whose planning and development he had previously paid a major part. Thereafter he commanded the prestigious College of Air Warfare before returning to the Air Ministry as Assistant Chief of Air Staff (Operations).

His next and very significant appointment was to command No 3 Group — significant because it marked his transfer to and first experience of Bomber operations. He took to this new role with his usual enthusiasm and incisiveness. It should

not be forgotten that our na-

tional strategy at this stage, in the mid-Sixties, depended very much on the concept of the deterrent, practically implemented by the V Bomber force and its quick reaction alert capability. Whatever the validity of this concept, he and his colleagues implemented it with the maximum efficiency and his personal performance was rewarded by further advancement to Senior Air Staff Officer at Bomber Command in 1967; Deputy Commander in Chief at Strike Command; and later Air Officer Commanding in Chief of the near East Airforce and Commander of all British Forces in that area.

This was perhaps the happiest period of Smallwood's life and he enjoyed it to the full both on and off duty, among other things leading his RAF polo team to a satisfying victory over the local army team.

Inevitably, like all men of

such talents, he was doomed to return to Whitehall, to serve a long stint as Vice Chief of the Air Staff from 1970 to 1974. His capacity for friendship served well in smoothing any inter-service rivalries and he made close friends of his Army, Navy and Civil Service colleagues and also his political masters — this

in spite of the fervour and skill with which he fought the RAF's corner both before and after his eventual retirement in 1976.

He was a regular contributor to the correspondence columns of this and other newspapers and unusually, perhaps, could always be counted on to hit hard but never below the belt. Although by now recognised as a man of great influence and stature, he never became conceited. Important yes, but pompous never.

His final service posting was from 1974 to 1976 as Commander in Chief of Strike Command, the RAF's last surviving operational command. Thereafter he was enthusiastically head-hunted and finished his last six years of full employment as military adviser to British Aerospace (1977-83). He had a large number of outside interests, including riding the chairman of the RAF Equi-

Denis Graham Smallwood, air force officer, born 13 August 1918, DFC 1942, DSO 1944; MBE 1951, CBE 1961, GBE 1975; commander, RAF Guided Missiles Station, Lincolnshire 1959-61; AOC and Commandant, RAF College of Air Warfare, Marby 1961-62; ACAS (Ops) 1962-65; AOC, No 3 Group, R&F Bomber Command 1965-67; CB 1966, KCB 1969; SASO, Bomber Command 1967-68; Deputy Commander-in-Chief, Strike Command 1968-69; AOC-in-C, NEAF, Commander, British Forces Near East and Administrator, Sovereign Base Area, Cyprus 1969-70; Vice-Chief of the Air Staff 1970-74; Commander in Chief, RAF Strike Command 1974-76; Military Adviser to British Aerospace 1977-83; married 1940 Jeanne Needham (died 1992; one son, one daughter); died Henley-on-Thames, Oxfordshire 26 July 1997.

His personal and family life was happy. In 1940 he married Jeanne Needham, who predeceased him. She was a quiet partner in what was a finely balanced partnership. They produced a son and a daughter and devoted grandchildren.

Smallwood had the rare distinction of being knighted twice, being appointed KCB in 1969 and GBE in 1975. No one could deny that such recognition was fully deserved by the life that he led.

Christopher Foxley-Norris

Margot Walmsley

May I correct Patrick Cosgrave's obituary of Margot Walmsley [2 August]? writes Lord Kenneth Melvin Lasky was not the founding senior editor of *Encounter*: that was Irving Kristol, who is, I think, still going strong in New York.

The obituary also repeats the story of the surprise felt by many when they found out in the mid-Sixties that *Encounter* was funded by the CIA. I have never understood this. *Encounter* was set up and funded by an organisation called the Congress for Cultural Freedom, as Cosgrave rightly says. The CCF set out to counteract Marxism among the French intellectuals (Arthur Koestler has written a good account of its early life). But CCF soon went wider than that, and set up similar monthlies in Britain, Germany, Italy, Spain and Australia. *Encounter* was always the most successful.

That was a chain operation hacked by American money was obvious to all, and it should have been obvious to all that the sort of money for that sort of operation, even in the United States, does not come from individuals. (Though there was an engaging rich man in the US called Junkie Fleischmann who acted as a sort of cut-out.)

I was well aware of the "CIA" funding, and so were many others who wrote in *Encounter* in its early days. We understood and approved the objectivity and liberalism which the founders knew was necessary to defend continental Marxism. So we took advantage of that: forward-looking and internationalist highbrow mags did not grow on trees then (or now).

We were always watching to see how far left we could go without being cut off. Under Kristol there was, I found, no limit: I attacked the fall-out from US nuclear weapon tests, defended democratic socialism and the welfare state, and so on and so on. I thought so long as I can write what I like, and it publishes nothing vile by anyone else, who cares? But under Lasky, a more blinkered anti-Communism took hold, and he did try to rein us in, so after a bit of a struggle I stopped writing for it.

Jepson intervened: "Here, Keith, use my stuff and stick it on any way you like." The finale was predictable: Miller used Jepson's pads, gloves and hat and went on to score his only century for an English team.

Derek Hodgson

Arthur Jepson, cricketer, cricket umpire and footballer; born Selston, Nottinghamshire 12 July 1915; married (one son, one daughter); died 17 July 1997.

I don't know why there was this sudden outcry in 1965-66. Bertrand Russell, after all, had been one of the founders of the CCF.

None of this ever touched Margot Walmsley who, and whose parties, were indeed darling.



A doughty opponent in both cricket and football: 'Jeppo' does a flying save as goalkeeper at Stoke City in 1946

Arthur Jepson

Arthur Jepson was a player and character who was much bigger inside sport than to the public at large. He was a right arm fast medium bowler, a big hitter down the batting order who became a first-class umpire, officiating in four Test matches, and a goalkeeper who served Port Vale, Stoke City and Lincoln City. He was known in both sports as "Jeppo" and no one ever needed to ask "Who?"

He was of that generation of sporting professionals whose careers were severely interrupted by the Second World War. He joined Nottinghamshire, from a mining family, in 1938 and was capped the following season, the start of a 22-year career. After serving in the RAF he returned to Trent Bridge to form, with Harold Butler, the county's opening attack until 1959.

His best season came in the hot summer of 1947 when, despite the domination of the batsmen, he managed to take 115 wickets at an average of 27, an outstanding performance. When he retired from county cricket in 1959, after a brief

captaincy in 1955, he had played 390 first-class matches in which he had been capable enough to score one first-class century.

Jepson was a doughty opponent with all-round skills that buttressed a Nottinghamshire team whose individual capabilities, for most of the early post-war years, were far superior to their teamwork. All goalkeepers are mad, gods the legend, but Jepson was saner than most and the hard-won experience he accumulated in two sports at four clubs was invaluable when he became an umpire, a classic instance of poacher turned gamekeeper.

He had a caustic sense of humour that could prove extremely disconcerting to young players who were meeting him for the first time. They soon learned to appreciate his impartiality in delivering his banter. The brighter ones also realised that amid the sharp banter there were often a few pearls to be picked up as to the state of the pitch, an impending bowling change, whether cover point was left or right handed and the progress of the opposing captain's hangover.

In later years he helped his son, a golf professional, manage a sports equipment shop near the family home at Kirkby-in-Ashfield.

In his last playing season, in 1959, he had the vicarious satisfaction of a brush with greatness. Keith Miller was employed by the *Daily Express* as a cricket writer, the *Express* telephoned reports with the awe of an exclusive on the Sermon on the Mount.

Miller also played the odd in-

vitiation match which is how regulations at the time permitting, he came to be batting for Nottinghamshire against Cambridge University. Miller arrived, characteristically, with no gear and was borrowing the pads of Reg Simpson, the Nottinghamshire captain, when Simpson pointed out that he was hucking them inside the leg instead of outside, English style.

An argument, between friends ensued, Miller insisting that the Australian fashion was safer, there being less possibility of the ball's catching the buckle and sounding like a nice off the bat.

Jepson intervened: "Here, Keith, use my stuff and stick it on any way you like." The finale was predictable: Miller used Jepson's pads, gloves and hat and went on to score his only century for an English team.

Derek Hodgson

Arthur Jepson, cricketer, cricket umpire and footballer; born Selston, Nottinghamshire 12 July 1915; married (one son, one daughter); died 17 July 1997.

James Krüss

James Krüss was the best known and most prolific children's author in what was for nearly all his writing life the Federal Republic of West Germany. Inheriting a post-war literary desert, within which the Nazi Party had discouraged creative writing for children in favour of a hoped-for return to true German folk poetry, Krüss was a hugely important figure in the re-establishment of the freedom of imaginative story-telling. His first children's book, *The Light-*

house on Lobster Island (1956), was based on his own experience of growing up in Heligoland. It was followed by *My Great-Grandfather and I* (1959), a continuation in the same genre.

Here at last were stories within which there was laughter and a general sense of fun. But Krüss was more than a gifted and prize-winning storyteller. What pre-war children's literature there was had so often become synonymous with solemn social propaganda.

Stories within stories and words within words might look like hard work for children, traditionally happier with a

strong narrative line. But such was the wit and charm that Krüss brought to his literary conversation-pieces between children that young readers were soon won over. As he wrote himself: "It is utterly indifferent whether the story actually happened or not. In stories it is not a matter of whether they are true or not, but whether they are attractive." This combination of whimsy with a spirit of irreverent enquiry was something that had not been experienced in German children's literature since the work of Erich Kästner, a writer who was forced into silence from 1933 and with whom Krüss can well stand comparison.

Krüss also wrote many texts for picture books and was the compere on his own television programme. He had a talent for nonsense-writing, in verse or in fiction. *Letter to Pauline* (1968), for example, contains a make-up animal, Birzel, very much given to wayward turns of speech

known as "birzeln". In *The Great-Grandfather, the Heroes and I* (1967), the old patriarch of the title declares: "I insist upon demonstrating unreason, but at the end I let reason triumph, because I want to be one step ahead of stupid reality."

Sentences like this, never quite as obvious in their meaning as they first appear, were an important part of the legacy left by James Krüss to his young readers. By alerting children to the mystery as well as to the fas-

cination of words, he taught them to think about language for itself.

By providing them with entertaining and distinctively crafted stories he was also able to turn this particular exercise into something deeply enjoyable in its own right.

Nicholas Tucker

James Krüss, writer; born Heligoland, Germany 31 May 1926; died Tarifa Alta, Gran Canaria 2 August 1997.



Krüss: whimsy and enquiry

Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following: Sabbath begins in London at 8.22pm.

United Synagogue: 0181-343 0099.

Federation of Synagogues: 0181-202 2263.

Union of Liberal and Progressive

Synagogues of Great Britain: 0181-343 4787.

Victoria and Albert Museum: 0181-343 2074.

Pearl Baker, From East to West: 0181-343 2026.

Second Street: 0181-343 2026.

Great Synagogue: 0181-343 2025.

Eden Synagogue (Maccabi): 0181-322 1026.

Choral Synagogue: 0181-343 2024.

Choral Synagogue: 0181-343 2023.

Choral Synagogue: 0181-343 2022.

Choral Synagogue: 0181-343 2021.

Choral Synagogue: 0181-343 2020.

Choral Synagogue: 0181-343 2019.

Choral Synagogue: 0181-343 2018.

Choral Synagogue: 0181-343 2017.

Choral Synagogue: 0181-343 2016.

Choral Synagogue: 0181-343 2015.

Choral Synagogue: 0181-343 2014.

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Choral Synagogue: 0181

business & city

FINANCIAL JOURNAL
OF THE YEAR

Business news desk: tel 0171-293 2636 fax 0171-293 2098
DEPUTY BUSINESS & CITY EDITOR: MICHAEL HARRISON

Markets welcome rise in base rates to 7%

Diane Coyle
Economics Editor

The financial markets were surprised, but pleased by the Bank of England's decision to raise interest rates by a quarter point to 7 per cent yesterday. Industry, though, condemned the move, and a new round of mortgage rate increases is likely to hit home-buyers.

It was not so much the increase, which was widely expected, as the strong hint in the statement from the Monetary Policy Committee that rates have gone far enough for now that pleased the City.

It took the pound four pence lower against the German mark to below DM2.97. Sterling's index against a range of currencies fell by 1.1 points to 102.8.

Share prices soared for the second day running, with the FTSE 100 index closing nearly 61 points higher at 5,086.8. The index has gained 642 points, or 14 per cent, since 1 May.

The Bank's statement yesterday said the appreciation of the pound during the past year had put "severe pressure on

businesses exposed to international competition". It added: "Upward pressures on the exchange rate should be reduced by the perception that interest rates have reached a level consistent with the inflation target."

"They didn't mince their words. Rates will not rise again for the time being," said Adam Cole at James Capel.

Some analysts said further increases in the cost of borrowing would occur, but not until the Bank had clear new evidence the economy was expanding at an unsustainable pace. "You can not conclude interest rates have reached their peak, but there

will be a pause," said Kevin Darlington at ABN-Amro.

Simon Briscoe at Nikko Europa said yesterday's move was unnecessary, but he added: "It will do little damage to the economy. What is important is that rates are now on hold."

However, in contrast to the acclaim from the City, the reaction from industry and unions was far more negative.

Kate Barker, chief economist at the CBI, said the employers' organisation was concerned that the latest rise would exacerbate the problems faced by exporters. But she said: "I am pleased the Bank has signalled

there will be no further move."

The British Chambers of Commerce also welcomed this signal, but described yesterday's decision as a "body blow" to business.

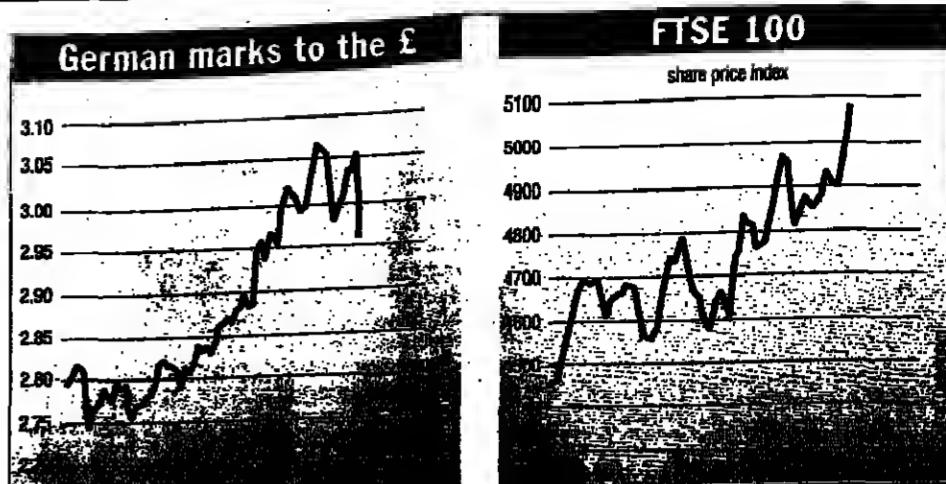
Ian Peters, deputy director-general, said: "The Bank should assess the combined effects of lower import prices, falling wage inflation, the Chancellor's Budget measures and previous rises in interest rates, before making any further increases."

Meanwhile, the Engineering Employers' Federation warned of the risk of job cuts as a result of the strong pound. A spokesman said: "We feel

there is an increased likelihood of job losses being announced throughout the autumn period."

The Construction Confederation warned the latest increase ran the risk of damaging the construction recovery. "The whole industry will be affected if the economic recovery is weakened too much," said Ian Deslandes, its chief executive.

Interest rates have now risen by 1 per cent to 7 per cent since the general election. Three of these moves have been made by the Bank of England under the new arrangements which give it control over interest rate decisions.



The Bank said yesterday that the latest increase was "necessary to put the economy on track for achieving the inflation target of 2.5 per cent looking two years ahead". Although it recognised the "severe pressure" the strong pound was placing on exporters, it said the prospects for growth in domestic demand made the rate increase necessary.

A new survey of business on

the high street by the CBI revealed a slight slowdown in the growth of retail sales last month.

Although the monthly survey has not matched official figures for retail sales very closely in recent months, a small fall in the balance of retailers reporting higher sales volumes reassured economists that consumer demand has probably not accelerated again. The CBI said

underlying sales growth was strong and stable.

Cheltenham & Gloucester

was the first mortgage lender to increase its loan rate, with an announcement following swiftly on the Bank of England's statement yesterday. Others said they would consider their position, but many are expected to follow suit. However, C&G simultaneously announced an increase in rates for savers. The carpetbagging habit has made deposits extremely footloose, and competition in the savings market is stiff.

Britannia Building Society

yesterday announced an increase in its rates for savers from

Monday but kept mortgage rates unchanged.

Halifax said it did not intend to make any immediate announcement but would review the situation. Lenders also took a day or two to react to the interest rate increase in July.

Comment, page 21

Strong sterling assaults Reed Elsevier and Zeneca

Reed Elsevier, the Anglo-Dutch publishing combine, and Zeneca, the giant drugs group, yesterday became the latest companies to reveal the scars left by the soaring pound, ironically on the day that the currency slipped back through the DM3 barrier. "It will provide a safe haven from economic storms, saw its first half prof-

its growth more than halved as the rampant pound reduced the value of earnings arising from overseas.

Shares in both groups suffered early on, with Reed closing down 40p at 590p, wiping £455m from its market value, and Zeneca losing 49p at one stage, before recovering to end

up 6p at £20.52. Both underperformed a market buoyed by a further fall in the pound, which sank decisively through DM3 to end around 3.3 pence lower at DM2.967. That

boosted exporters and foreign earners in the manufacturing sector, notably LucasVarity, up 11.5p to 208.5p, BTR, which

rose 10.5p to 197p, Rolls-Royce, which put on 13p at 256p, and ICI, where the shares added 42.5p to £11.05.

Separately, Zeneca revealed that its 10 per cent rise in pre-tax profits to £669m in the six months to June would have been 22 per cent had it not been for the effects of the pound.

John Mayo, the finance director who is shortly leaving to join GEC, said sales were some £300m lower and operating profit £90m less due to the effects of the pound. He gave

warning that its continuing strength in the second half could hit margins.

Investment column, page 23

MMC chief quits as shake-up begins

Michael Harrison

A wide-ranging shake-up of competition policy was under way yesterday after the Government announced details of its new Competition Commission and Sir Graeme Odgers resigned from his £120,000-a-year post as chairman of the Mergers and Monopolies Commission.

Sir Graeme's surprise decision will force the Government to find a new chairman for the Competition Commission since Sir Graeme would have transferred into the job when the authority comes into operation next year and takes over the functions of the MMC.

However Sir Graeme, 63, told the President of the Board of Trade, Margaret Beckett, that he had decided to return to the private sector rather than serving out the remainder of his term, which was not due to expire until April 1999.

His intention to quit the MMC after just over four years in the job was known to Mrs Beckett's predecessor, Ian Lang, but the announcement was delayed first by the General Election and then by Labour's review of competition policy.

The Competition Bill published yesterday by Mrs Beckett will beef up the Office of Fair Trading, giving it the power to crack down on cartels and anti-competitive agreements by fining companies up to 10 per cent of their turnover.

But Sir Graeme said that in the months that followed he became convinced that if he was to get a job back in the private sector, he would have to leave the MMC before he reached 65.

During his tenure the MMC has handled 68 referrals of which 54 have been published. Its advice has been ignored by the government four times - GEC's takeover of VSEL, which the MMC recommended be blocked, the two generators' bids for regional electricity companies and the Bass-Carlsberg Tetley merger, which the MMC cleared, and the break-up of British Gas's trading and pipeline arms, which was rejected.

Not put out any feelers yet, nor has anybody approached me,"

Sir Graeme arrived at the MMC in April 1993 after a career spent in the construction and telecoms industry, culminating in the chief executive's job at Alfred McAlpine. It was only last October that he agreed to a two-year extension of his term from April this year.

But Sir Graeme said that in

the well as taking over the MMC's job of vetting takeovers and mergers, the Competition Commission will also act as a tribunal to hear appeals against restrictions imposed by the OFT. The Restrictive Practices Court will be disbanded.

Mrs Beckett said she had accepted Sir Graeme's resignation with considerable regret.

Sir Graeme stressed that he supported the changes being introduced by Mrs Beckett and had only decided to leave so that he could end his career back in the private sector. He is looking for a non-executive chairmanship but stressed: "I have

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business

PIA row mars Royal & Sun results

Tom Stevenson
Financial Editor

Interim results from Royal & Sun Alliance yesterday marked the end of the first year of its merged operations but were overshadowed by a continuing row with the Personal Investment Authority over the insurance group's success in tackling mis-selling cases.

The group, formed a year ago in a £600m deal, insisted it had met a deadline set for it despite a statement from the PIA that it had failed to do so. Roger Taylor, deputy chairman, said Royal & Sun had resolved 90 per cent of so-called priority one cases, which involve people who have already retired or who have since died.

He also said that Royal & Sun had increased its provision against the mis-selling of the late 1980s and early 1990s, although he refused to give figures. The company has nearly 15,000 cases to resolve.

The PIA said it would be talking again to Royal & Sun but refused to comment further. The problem appears to focus on what should constitute a completed case and which cases should be included in determining whether the group has met its target.

The dispute clouded otherwise strong figures showing an 11 per cent rise in trading profits to £501m for the six months to June. The result was badly affected by the strength of sterling, without which profits would have shown an 18 per cent increase. The dividend was lifted 10 per cent to 21.7p per share.

Royal & Sun said it was on target to achieve promised savings worth £175m a year. The group has already shed 3,000 of 5,000 targeted jobs and savings

are running at an annualised rate of £95m. The savings, and a rise in the net asset value from 399p to 433p, cheered the market, which marked the shares 23p higher to close at 545.5p.

In general insurance, profits rose £22m to £374m, helped by better performances in the US and Canada. The underwriting result improved by £51m to a loss of £91m.

According to Mr Taylor, premiums remain under pressure in the UK, where the underwriting loss widened from £19m to £37m. Even after better investment returns there was a fall in total profits from £172m to £165m. Premium volumes fell in most classes of business as Royal rejected unprofitable business.

In line with the rest of the industry, personal motor business suffered from an increase in the average cost of claims. Household insurance was hit by a £19m increase in the cost of subsidence losses thanks to the dry weather at the start of the year.

Now one of the UK's top 10 life assurance suppliers, Royal & Sun Alliance restated its desire to be an important player in the sector but said it was cautious about acquisitions given the prices being commanded by companies.

Richard Gamble, chief executive, described European life companies as "extravagantly expensive" and said it was difficult to justify an acquisition as benefiting shareholders.

During the six months, worldwide life profits, which account for a fifth of the group total, rose 16 per cent to £108m.

Royal Sun re-confirmed its commitment to buying back up to 5 per cent of its shares. So far it has bought in just 32 million shares, at a cost of £152m, about half the amount planned.



Prospects look up: Roger Taylor, deputy chairman of Royal & Sun Alliance (left), with Richard Gamble, chief executive

Photograph: Kalpesh Lathigra

Slump in Rank's profits adds to pressures on Teare

Andrew Yates

City analysts said yesterday that Andrew Teare, the chief executive of Rank, was living on borrowed time after the troubled leisure group announced disappointing results.

Rank was the biggest blue-chip faller on a day that the FTSE 100 index raced away, slumping 30.5p to 340p. Since

Mr Teare took over as chief executive last year, Rank's shares have underperformed the FTSE 100 index by almost 50 per cent.

The poor figures overshadowed Rank's decision to spend more than £310m buying back up to 10 per cent of its own shares over the next few weeks.

Mr Teare said yesterday: "We have embarked on a very big

fundamental overhaul of Rank. Of course, I am disappointed we have not got more to show for it today. But it always takes longer than the market wants.

There is a lot happening in the engine room and I am confident it will come through."

Rank plans to form a worldwide chain of Hard Rock Cafes, hotels, with Singaporean hotel entrepreneur Ong Beng Seng, is due to announce a big shape

based on the popular restaurant chain. Rank has already launched a Hard Rock TV channel and record label.

Mr Teare is also looking to open a new themed restaurant chain to go alongside the Hard Rock Cafe. Other plans include a chain of US casinos and the group has recently applied

up of its Butlin's holiday camps next month. Analysts expect at least two of the five Butlin's sites will be completely rebuilt and renamed in an attempt to revitalise the flagging brand.

But observers remained sceptical about Mr Teare's reforms.

"Whenever Rank produces an announcement these days, the share price falls. Mr Teare will have to start coming up with the

goods or he is likely to go," one analyst said yesterday.

Rank plans a rapid expansion of Tom Cobleigh's themed pub chain. But a delay in opening saw Tom Cobleigh's first half profits fall well short of expectations, adding fuel to critics' claims that Rank paid over the odds for the business.

Rank's pre-tax profits fell to £85m (£144m) for the six

months to June due to a fall in video sales following a lack of big film releases.

The group is raising more than £100m by selling its property portfolio to British Land, the UK's second largest property group. The money will be used to partly fund the share buy-back. The group would consider further share buy-backs next year.

Double-digit earnings growth into the next century

Annualized total return of 21.8% over the past 20 years



Dr. A.J.F. O'Reilly
Chairman and Chief Executive Officer



Mr. William R. Johnson
President and Chief Operating Officer



Double-digit earnings growth into the next century

"Fiscal 1997 was a watershed for H.J. Heinz Company - a point of departure for a new millennium. With exceptional speed and careful deliberation we undertook an ambitious global reorganisation to sharpen our focus, streamline our production and generate significant savings to improve margins and support our brands.

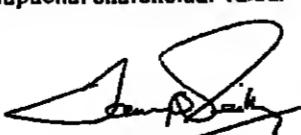
"Project Millennia is expected to generate approximately \$120 million in pretax savings in Fiscal 1998, increasing to about \$200 million upon full implementation. We also expect improved profit margins, higher return on invested capital and greater asset productivity... During the next five years, we anticipate generating free cash flow of over \$2 billion to apply toward debt reduction, acquisitions and share repurchase.

"I want to pay tribute to Heinz employees worldwide who have made Project Millennia a success. The leadership of Bill Johnson as president and COO has been critical to its implementation.

"The directors' commitment to Heinz shareholders is reflected by the annualized total return of 21.8% over the past 20 years, compared to 15.6% for Standard & Poor's 500.

"When I became CEO in 1979, Heinz's market capitalization was \$900 million, today it is \$17 billion... How was it done? By emphasis on big brands, by expansion into new global markets, by product innovation, by low-cost operations, by excellent management and by focusing on shareholders, consumers and customers. We will continue with this winning formula to generate double-digit earnings growth into the next century.

"I am proud to lead one of the world's premier food companies - a global enterprise dedicated to generating exceptional shareholder value."



The above is extracted from the statement to shareholders of H.J. Heinz Company by the Chairman and Chief Executive Officer, Dr. A.J.F. O'Reilly, for the year to 30 April, 1997.

'No end in sight' for Mersey Docks dispute

Andrew Yates

Mersey Docks, the UK's second largest ports group, warned yesterday that there was no end in sight to its dispute with 329 Liverpool dockers, which started almost two years ago and has become one of the longest running industrial actions in the world.

Talks between the group and its former employees are likely to remain deadlocked. Mersey Docks has offered to pay the dockers more than £9m, equivalent to £28,000 a man, on the condition they have a secret ballot to vote on the offer. But the dockers have refused to accept the pay-off and Mersey threatened yesterday to take the deal off the table.

Alastair Findlay, Mersey's finance director, said: "At the moment we don't see an end to the dispute and there is no sign the dockers will agree to a secret ballot. We will not increase our offer. At some stage we will have to withdraw our offer if it is not accepted." Mr Findlay claims the dispute, which cost the group £300,000 last year, has had "little effect" on its profits in the last six months.

The dockers were sacked in September 1995 after refusing to cross a picket line in sympathy for striking stevedores. Since then Mersey has taken on new workers and is unlikely to ever employ any of the 329 dockers again at its container terminal. City accountants KPMG have drawn up plans which could lead to 40 workers getting new jobs at the port. However, the dockers are demanding that all their jobs are restored.

The news comes as Mersey announced a year 60 per cent rise in pre-tax profits to £22m in the six months to June, thanks to the closure of its loss-making passenger ferry service, Eurolink, and record cargo volumes at its Liverpool and Medway ports. Strong expansion of shipments across the Irish Sea due to the collapse of a competitor and a growth in the number of cars imported at its terminal in Sheerness have fuelled the increase volumes.

Telewe digital

informative

Robert Walters looks to Asia for expansion

Nigel Cope
City Correspondent

Robert Walters, the recruitment consultancy which came to the market last year, said yesterday it was looking for acquisitions in the Asia-Pacific region to boost its international business. The company opened a Hong Kong office this year and hopes to open one in Singapore by Christmas. Robert Walters, chief executive, said: "We are looking overseas but have nothing planned at the moment."

He was speaking as the company reported doubled pre-tax profits of £3.3m in the six months to 30 June. The shares, which were priced at 105p when the group came to the market last July, soared 30p to a new high of 135p.

Robert Walters, which specialises in permanent and contract jobs in the finance and information technology markets, said it was seeing buoyant growth in contract recruitment and IT jobs. It hopes to benefit from the surge in demand for computer-related expertise to

work on "millennium problem" consultancy projects. Ben Anderson, director, said the plan was to increase IT positions from 6 per cent of net fee income to around 50 per cent.

Mr Anderson said the company was drafting in professionals from Australia, New Zealand, India and other markets to fill a growing demand for skilled IT and compliance professionals in UK banks and other financial institutions.

Mr Walters said yesterday that trading in July remained strong. He denied that the cyclical nature of the recruitment market would make the business vulnerable to a downturn: "Only 20 per cent of our business is in commerce/permanent jobs which is the area that tends to be hit."

Yesterday the company announced plans to rebrand its business units. This will break the technology business, which was established a year ago, and the outsourcing division, which takes over the recruitment requirements of particular clients, into separate divisions.

Thomson takes a trip into the black

Magnus Grimond

Thomson Travel, the UK's leading travel operators and owners of the Lunn Poly travel agency chain, soared into the black in the first half of this year as British holidaymakers flocked overseas.

The business, part of the Canadian-controlled Thomson Corporation, also painted a rosy view of the outlook, saying demand for the high season months of July to September was strong.

Meanwhile, winter holiday sales were "substantially" above the level of this time last year and bookings for next summer were said to be encouraging, after brochures were issued three months early in May.

Thomson said the buoyancy

	Turnover £	Pre-tax £	EPS	Dividend
Barclays (1)	-1	1,278m (278m)	58.2p (55.3p)	12.5p
Capital & Counties (1)	-1	80.1m (54.5m)	78p (78.2p)	-1
KTC Auto Technologies (1)	19.5m (12.4m)	3.62m (2.71m)	5.88p (4.25p)	nil (1)
Liberty Total (1)	128m (66m)	61.8m (56.1m)	13.41p (13.15p)	8p (7.25p)
Lindon (1)	23.2m (17.5m)	1.96m (-0.15m)	6p (-0.8p)	2.25p (1m)
Mersey Docks & Harbour (1)	82.2m (72.2m)	22.2m (13.3m)	17.55p (10.7p)	4.5p (4p)
Prudential UK (1)	\$1.65m (\$120m)	\$92.5m (\$14.1m)	11c (2c)	8c (8c)
Rank Group (1)	65.6m (64.0m)	85m (14.4m)	6.7p (1.2p)	5.25p (5p)
Read Elsevier (1)	1.988m (1.72m)	41.9m (41.6m)	14.5p (14.55p)	4.4p (4.25p)
Robert Walters (1)	35.8m (19.0m)	3.22m (1.67m)	2.8p (4.0p)	1.3p (1.5p)
Royal & Sun (1)	-1	556m (503m)	23.5p (22.8p)	7.15p (6.5p)
Royal Dutch/Shell (2)	-1	11.18m (1.18m)	-4p (14.4p)	-1
Zenith (1)	2.75m (2.54m)	689m (610m)	47.3p (45p)	13.5p (12.5p)
(F) Final (1) Interim (2) Second quarter + current cost not income * for Shell Transport & Trading				

0800 001
Green Flag



COMMENT

'He is generally reckoned to have made a decent fist of the MMC and it certainly made a pleasant change to have the place run for once by an industrialist rather than a clever lawyer'

Sir Graeme will be better off in the real world

Nobody enters public service expecting to make their fortunes and they certainly don't retire while still in harness if they intend to live out their twilight years in a modicum of comfort.

Who then can blame Sir Graeme Odgers for slipping off his yoke early at the Monopolies and Mergers Commission before he gets too old to pick up a non-executive chairmanship back in the real world of competition? After all he has been at it for more than four years and there is only so much one man can take of Stagecoach, which has been around the circuit with Sir Graeme more times than a number nine bus.

Although it was only announced yesterday, Sir Graeme's resignation letter had been in the in-tray for several months. He told Ian Lang of his intention in April but Mr Lang was too busy losing an election to get around to fixing up a replacement. Sir Graeme is generally reckoned to have made a decent fist of the MMC and it certainly made a pleasant change to have the place run for once by an industrialist rather than a clever lawyer. He only blotted his copy book on four occasions - twice with National Champions Hezza, once with Lang and once with Margaret Beckett, who was not persuaded that Bas should swallow Carlsberg Tetley under any circumstances. At odd times the MMC's sectoral analysis displayed a shaky grasp on reality. But at least Sir Graeme was not responsible for the beer report, the low-water

mark. Had he hung around he would have been elevated to the chairmanship of the super Competition Commission. Now Mrs Beckett will have to look for another New Labour businessman. With a salary of £120,000, candidates may not exactly be falling over themselves to apply. But whoever is selected is in for a busy time judging by Mrs 'refer 'em all' Beckett's track record so far.

MPC strategy may be too clever by half

At first glance the Bank of England's decision to lift interest rates by a quarter point but simultaneously suggest that there are no more increases in the pipeline looks a smart move. The pound duly fell by four pence, short sterling pointed to rates peaking at 7.25 per cent and, for once, the relentless charge in the FTSE 100 was led, not by the financials, but exporters, oil stocks and engineers.

At second glance the Monetary Policy Committee's strategy still looks pretty shrewd but there are also some potential pitfalls ahead. By implying that the latest rate rises are to a level consistent with the inflation target, the MPC has for now taken the wind out of sterling's sales, providing some respite to the battered export sector of the economy. But what is source for the manufacturing goose is also source for the consumer gander. The currency markets are no longer factur-

ing in a succession of rate rises but nor is anyone else, which will lessen the dampening effect of yesterday's increase on consumer spending. True it will make credit card borrowing more expensive and push up some mortgages but if the previous three quarter point increases failed to do the trick, why should a fourth one?

Moreover, as the MPC itself concedes, the present strength of sterling largely reflects factors outside of its control, mainly the prospects for the German mark inside a single currency. There can be no guarantee that yesterday's drop in sterling will not be followed by a similarly sharp bounce.

Still, industry can console itself with the knowledge that things could have been worse. The MPC did not listen to the argument that one big rate rise was necessary to penetrate the psychology of the consumer and kill incipient inflation once and for all.

The balance of probability remains that the MPC's policy will deliver lower interest rates at the peak than otherwise might be expected and a softer landing in 1998 or 1999. But it remains a very fine judgment.

An Apple a day keeps the Internet in play

Has Bill Gates achieved world domination with one bite of the forbidden fruit? If so it has come cheap, with a mod-

est price tag of \$150m, the size of the stake it has taken in Apple.

The initial reaction of the stock market to the announcement of Microsoft's stake in its struggling rival suggested the reverse. Microsoft shares fell when the New York markets reopened, while Apple's shares leapt 14 per cent. Investors accepted the argument, crafted with the Justice Department in mind, that it was in Microsoft's interest to ensure the health of its competitors in order to keep further anti-trust proceedings at bay.

The agreement will certainly help Apple, for Microsoft has promised to continue to develop and ship application programmes for Macs which in the past have been be-devilled by a smaller choice of software that is available for PCs, and a fear that even that limited choice would shrink.

However, the terms of the deal point to Mr Gates's obsession with controlling cyberspace as the real rationale. All Apple Mac computers will be bundled with Internet Explorer, Microsoft's Internet software. That means virtually every new PC that is shipped will channel users onto the Net via Microsoft.

Maybe the kind of independent-minded, Microsoft-hating computer nuts who tend to opt for Apple Macs will continue to go out of their way to install alternative software for access to the Internet, like the superior Netscape. Maybe they won't

bother. But investors who share Mr Gates's view that the future belongs to he who controls the Internet should reconsider that initial stock market reaction.

When in a hole, stop digging

The cable industry is so used to peering down black holes and then putting on a brave face that Telewest's investors could be forgiven for interpreting yesterday's restructuring plans as just one more hopeful stab in the dark.

Whether the cutbacks go far enough is debatable, but what Telewest has finally admitted - that the investment bonanza is well and truly over - is just as applicable to all the other companies still merrily digging away as their shares slide.

But savage cost cutting on its own will never be enough, unless Telewest and its peers can encourage more people to buy their services.

Without BSkyB's help the cable companies can do nothing. Their best hope is that Ofcom will emerge as a fairy godmother, nudging BSkyB into renegotiating the complex structure of programming charges. But BSkyB, as always, is not going to fall over itself to help the cable industry as it plans a rival digital satellite service.

Telewest to delay start of digital television service

Chris Godsmark
Business Correspondent

leap forward in performance of the company'. Mr Davidson said the construction programme would plunge from 40,000 homes a month to just 5,000. He said Ofcom, the industry watchdog which sets construction targets, had been consulted. 'We've had a very constructive and understanding response.'

Revealing the outcome of its cost-cutting review, Telewest pledged to halve its annual investment budget from more than £500m to around £250m. Stephen Davidson, chief executive, insisted the cuts reflected what he claimed was Telewest's two-year lead over other cable companies in completing its networks, with 75 per cent due to be constructed by the end of this year.

Pledging to deliver a 'quantum

The start will now coincide with the launch of British Sky Broadcasting's digital satellite joint venture with British Telecom, called British Interactive Broadcasting (BIB). Mr Davidson denied Telewest had lost the opportunity to lead a team from BSkyB. 'We always said it was good to keep our options open but there are benefits of going first and there are benefits of going together.'

He said technological changes could cut the cost of set-top-boxes, which decode programmes for customers, by a third. Another reason claimed was the move by Microsoft, the computer software giant, into the cable market which could set a lower cost-operating standard across the industry.

Telewest yesterday revealed losses of £14.23m for the first six months of the year, up from £11.75m during the same period in 1996. Its phone customer base grew by 100,131, com-

pared with 31,821 television subscribers. The penetration rate, which measures the number of households which take up the service, rose from 26.4 per cent for telephony and by 1 per cent, to 22 per cent, for television.

Stephen Davidson: Denied lost opportunity over launch



Stephen Davidson: Denied lost opportunity over launch

Shell discounts move to buy back shares

Chris Godsmark

Shell, the Anglo-Dutch oil giant, yesterday dismissed any imminent moves to follow British Petroleum's share buyback plans as disappointed investors with a bigger-than-expected fall in second-quarter profits.

Shares in the group fell 14.5p to 458.5p against a soaring stock market as Shell revealed a 10 per cent drop in net income between April and June to £1.07bn. It left earnings for the first half of the year down 15 per cent to £2.49bn.

Mark Moody-Stuart, Shell's group managing director, said share buybacks had been considered often but were 'just a non-starter' because of a 25 per cent tax charge for investors in the Netherlands.

BP this week announced plans to buy back shares next

year to raise its debt levels. Shell, in contrast, has £7bn of cash in the bank.

Hinting at the possibility of a generous interim dividend increase in September, Mr Moody-Stuart said: 'I haven't heard shareholders complaining lately. Shell is a huge cash-generating machine.'

Shell blamed the profits drop partly on the increase in the value of sterling, which knocked £11m off second-quarter earnings. Another £30m was wiped from chemicals profits after what the group described as 'not terribly good planning' saw almost three-quarters of the division's maintenance budget spent in just three months. It left chemicals profits outside the US down by 38 per cent in the second quarter to £86m.

In a clear indication yesterday of Shell's drive to inject a more entrepreneurial culture

informative:

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£25,000 and over 5.00 5.11 4.00 4.07			
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Credit interest Gross Gross CAR Net Net CAR			
% p.a. % p.a. % p.a. % p.a.			
£1 to £9,999 0.50 0.50 0.40 0.40			
£10,000 to £9,499 4.00 3.70 3.24			
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Capital Corp shareholders seek new bid

Nigel Cope
City Correspondent

Some institutional shareholders in Capital Corporation are hoping for a fresh bid for the casino group as they remain unhappy about its performance and the progress made by new management.

The comments come two days after Capital was rescued from a £192m bid by London Clubs International after Margaret Beckett, President of the Board of the Trade, blocked the deal on competition grounds.

One shareholder said: 'Have this management delivered the results? I don't think so.' The shareholders said another bid was possible from groups such as Ladbrokes or Rank.

The comments came as Capital Corporation tried to clear its name yesterday as damaging allegations made about its business continued to circulate. Alan Hearn, chief executive, said the company was prepared to go to court to contest any possible action by a group of disgruntled former employees.

It added that it was reserving judgement on whether it

might take legal action against the group.

Eleven staff left Capital Corporation's head office in April, during the LCI bid. Kenneth Thompson, the former acting chief executive, decided not to seek election in May while Desmond Pereira, former finance director, left acrimoniously during the same month. It is understood Mr Pereira is considering legal action.

Capital Corporation has been the subject of severe criticism about the stringency of its internal controls.

The company said yesterday that suggestions made in a gaming report by consultants Tait & Co last year had been largely implemented and that its controls had been endorsed by its auditors and by the Gaming Board in the MMC report on the LCI bid.

It said the allegations predated existing management and that in addition to a new chief executive and finance director the group had appointed Mike Hopkins, former head of the clubs and vice squad of the Metropolitan Police as head of security and compliance.

It added that it was reserving judgement on whether it

might take legal action against the group.

Analysts predict that the first-half profit, due to be reported next Thursday, will total one-quarter of last year's £45.4bn won (£31.7m), reflecting a steep decline in global prices for computer chips.

Analysts predict that the first-half profit, due to be reported next Thursday, will total one-quarter of last year's £45.4bn won (£31.7m), reflecting a steep decline in global prices for computer chips.

The spot price of the benchmark 16 megabyte dynamic



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Zeneca keeps pace with rivals

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Yesterday's initial 49p drop in Zeneca's share price was a chastisement reaction by the market to the drug group's interim figures. Announcing a 22 per cent rise in underlying profits for the six months to June, it was hard not to agree with the group's chief executive, Sir David Barnes, that the results bore comparison with the best of his rivals.

Equivalent half-way results announced by Glaxo Wellcome showed the giant of the sector managing a meagre 6 per cent increase in underlying trading profits, and even SmithKline Beecham's more respectable 16 per cent was still well behind.

The problem, of course, is that drug groups have been in the forefront of the stock market's giddy rise this year. Zeneca's share price, which ended 69p ahead at £20.525 yesterday, has itself risen by around a quarter since the beginning of January.

Based on NatWest Markets' unchanged profit forecast of £1.09bn for the full year, the shares stand on a forward multiple of 27. That is below its UK peers and well below US drug groups, but still leaves little room for mistakes.

Certainly Zeneca was making all the right noises yesterday. Given that the first-half profits had to bear a £90m hit from the strong pound, a 10 per cent increase in the pre-tax total to £669m was more than respectable. Group margins rose a chunky 2.8 percentage points to 24 per cent.

Zeneca gave warning that the continuing impact of sterling, plus higher new product launch costs and the traditional seasonal downturn in agro-chemicals, would hit second-half returns. Even so, John Mayo, the group's departing finance director, gave a strong hint that margins would still be ahead in the full-year figures.

Apart from Kadian, a morphine product which is under review, most of Zeneca's recent introductions seem to be selling well. Drugs launched in the past two years, such as cancer drugs Zoledex and Casodex, now represent 16 per cent of sales and the second half will see more, including the further rollout of the Zomig migraine drug and Seroplex for schizophrenia.

All being well, this investment in new product launches will pay off in higher sales next year.

But the longer-term question is how Zeneca copes with a string of patent expiries early next century, notably its best-selling Zestril heart drug, which saw sales slip 5 per cent to £305m in the first half. Zeneca is clearly confident that with more than 45 products

in its development pipeline, it can sail through that squall. Analysts will feel more confident after its next research presentation to the City in early December. Even so, investors should hold on.

Barclays keeps a grip on costs

Martin Taylor, Barclays' chief executive, said yesterday's figures from the bank got better the more you looked at them. Certainly the market seemed to find more to cheer about than was immediately apparent from an underlying 8 per cent rise in profits to £1.27bn, raising the share price by 120p to an all-time high of 14.475.

What appeared to please the analysts was better cost control than they had expected and lower provisions against bad debts.

Barclays, the investment banking operation that was such an embarrassment only six months ago, appears to be on the mend and investors are to get £700m in share buy-backs this year,

rather than the £500m investors had been promised last February.

The methodology Mr Taylor used to calculate how much of Barclays' capital is surplus to requirements is well beyond ordinary mortals.

But it needs no rocket science to understand a total of £1.75bn of value handed back to shareholders in the past two years. It is little wonder the shares have more than doubled since the start of last year.

Banking in the UK led the charge, with profits showing a healthy 30 per cent improvement. Personal banking and the corporate side, the powerhouse of the group, did well, despite a squeeze in margins in all areas except mortgages.

BZW's profits of £124m were three times higher than the disastrous second half of 1996 and the investment bank's return on capital rose from 8 per cent to a more respectable 12 per cent. That is still barely above BZW's cost of capital, but it is at least moving in the right direction.

The question is whether the stock market is putting too much faith in the current return on equity of 24 per cent being sustainable.

After yesterday's sharp increase,

the shares trade on around 12 times Salomon Brothers' expected earnings per share of 128p for next year, assuming profits of £2.7bn.

That puts it in the middle of the pack, above NatWest and the Scottish banks, but below Lloyds TSB, HSBC and Halifax.

The leaders have better growth prospects and Barclays' rating is now about right.

Reed boosts online services

The strength of sterling was the main story at the half-way stage for Reed Elsevier, the Anglo-Dutch publishing group. Currency effects wiped out almost all the underlying 10 per cent profit increase it achieved in the six months to June, leaving headline profit just 1 per cent higher at £419m. Shareholders in Reed International, the British end of this double headed group, see their interim dividend rise 7 per cent to 4.4p, while Dutch shareholders in Elsevier bag a 45 per cent increase to 0.29 guilders.

The performance of the main business divisions, namely scientific, professional, business and consumer publishing, was equally muted. The real excitement lay elsewhere, notably in the future development of new features, including the online information service, ScienceDirect, due for commercial release later this year, and the increased investment in electronic publications at Reed Travel group. An active acquisition policy should also add spice.

This year the group has committed itself to more than 20 acquisitions, costing in total over £600m, including the Chilton Business group which will be completed shortly. It has at least as much again available in cash or borrowing powers. A deal to acquire Reuters' specialist medical magazines is in the wind, while the sale of the children's book division to Pearson or to management could be announced by the end of the month.

Market conditions in the second half are unlikely to improve much, however. Some 70 per cent of profits come from overseas and sterling still looks uncomfortably strong. Several analysts scaled down forecasts for the full-year yesterday. The consensus is now around £830m, for a 5 per cent rise on 1996. The shares fell 40p to 590p, which values them on a forward multiple of 20, falling to 18. High, but still worth holding for the long term.

Super-SIB's search for sq ft has agents drooling

PEOPLE & BUSINESS



Howard Davies: West is west and east is nowhere

Whither super-SIB? Or rather, which of the handful of suitable sites in London will house Labour's Bank

investment regulator?

The subject is a hot topic in regulatory circles, not least because the 2,000-odd staff may end up in Canary Wharf in London's Docklands, still not the easiest place to get to and from.

Word is that staff from the nine existing bodies which will go to make up the new Leviathan are fighting a rearguard action to avoid banishment downriver. Optimists argue that since super-SIB's chairman, Howard Davies, lives in west London, he is unlikely to want to commute that far east.

Finding a site for super-SIB is also making property agents drool, being by far the biggest property deal in the capital for some time.

Super-SIB will need around 300,000 sq ft of space by next year, which narrows the number of acceptable sites. There are three buildings nearing completion in central London at the 200,000 sq ft mark – for instance, a building by Argyll and Helical Bar on London Wall. Ovissi could be housed in the Nat West Tower near by, which itself is just being refurbished.

Another theory goes thus: The European Bank for Reconstruction and Development (EBRD) is still embarrassed by the spendthrift image gained under its former boss Jacques Attali, who spent more on the head office marble loos and gold taps than he did on lending to needy countries.

This theory suggests that the EBRD is seeking someone else to take up the lease on its 367,000 sq ft Bishopsgate office so that it can move to cheaper digs in Canary Wharf. And who better to move into Bishopsgate than super-SIB?

Another contender is a giant site in Spitalfields, earmarked as the new home of Liffe, the futures market that continues to grow at a prodigious rate.

However, if Liffe does a U-Turn and abandons its "open outcry" trading for screen-based trading, it won't need such a big new building. Again, super-SIB could leap in and take the building instead.

The regulators will be up against stiff competition for space in the City. West Deutsche Landesbank is about to make a decision on taking 400,000 sq ft, while Goldman Sachs is also poised to expand. Whatever happens, the property agents will be quaffing champers for some time to come.

Still on the subject of Super-SIB, I hear that its head of human resources is going to be Sandra Jenner. She will come with a warm endorsement from her present colleagues at the Personal Investment Authority (PIA) where she holds a similar position.

Her most interesting decision at the PIA has been the attempt to exclude members of staff from the board of trustees of the PIA pension scheme despite the provisions of the 1995 Pensions Act.

The people at BZW may be back on track following this year's better results, but the 3,500 staff recently relocated to Canary Wharf have had a

salutary introduction to the measty public transport facilities in Docklands.

Most people in Canary Wharf rely on the Docklands Light Railway (DLR). This week it instituted a bizarre one-way pedestrian scheme lasting four months while one of its escalators at Bank Underground station is repaired. So if you want to transfer from the DLR to the Tube you have to walk underground to Embankment station, emerge at street level and then walk all the way back to Bank station.

This has prompted scenes of mass revolt by passengers, who don't see why they can't use other staircases in Bank station. Investment bankers from BZW, Credit Suisse First Boston and Morgan Stanley are all affected. What's the banking equivalent of a Peasant's Revolt?

Recent management upheavals at the Royal Opera House in Covent Garden have been described as "more dramatic than anything Verdi came up with". At the centre is Mary Allen, due to take up the post of chief executive next month after the shock resignation of Genista McIntosh.

The ROH has just closed for a two-year refurbishment that will cost £213m. MPs have criticised the way Ms Allen was recruited from her previous job as secretary-general of the Arts Council.

Anyway, I had not realised she was married to Nigel Panting, one of three senior executives at Hamros Bank who resigned last month over the bank's involvement with Andrew Regan's attempt to buy the Co-op. Mr Panting is now on "garden leave".

Some in the opera world suspect his wife may join him if the current wave of criticism does not subside.

John Willcock

London Metal Exchange

Metals

London Stock Exchange

Stocks

Options

sport

Revolution put on hold for the day

Jon Culley finds little for the faithful at Trent Bridge to shout about

If there is a revolution on the march in English cricket it was lost on a sun-baked but largely subdued audience at Trent Bridge, for whom the present disparity between the English and Australian teams was emphasised only too quickly.

From the moment it became known that Mark Taylor had won the toss, that Michael Atherton's new and supposedly "lucky" coin had yielded no more kindly on him than the four-time los-

er he had discarded in its favour, there was a sense of inevitability that almost instantly conveyed itself to the crowd.

The heady atmosphere of Edgbaston in the first week of June seemed a good deal more than nine weeks ago. Atherton's exhortation to the public to botte up the Birmingham spirit and

work insomuch as he returned later to dismiss Greg Blewett with a long hop, but did little to deflate the swelling tide of the opposition.

Ben, whom Atherton had hoped would lend his youthful lack of inhibition to England's cause, began with three overs of little distinction and was promptly reprimanded in cotton wool. This worked insomuch as he returned

later to dismiss Greg Blewett with a long hop, but did little to deflate the swelling tide of the opposition.

The Australian camp now gleefully perceive English cricket as a game "in disarray", the prospect of a fifth successive Ashes series loss seen as the largest single factor behind the far-reaching reforms outlined by Lord MacLaurin this week. To their eyes, moreover, the selection of the Hollies carries with it the smack of desperation.

It was not quite a repeat of 1989, when Mark Taylor batted all day with Geoff Marsh and Australia finished 301 without loss, but there were too many similarities for comfort for Atherton, who made his Test debut in that match and may yet remember this one as the beginning of the end of his captaincy.

The Hollies apart, the debutant in this match is the groundsman, Steve Barks, formerly with Derbyshire, whose form so far has been well received, leading to closer contests on a square that had become notoriously lifeless.

"Ideally, that is what I would want from the Test pitch," Barks said before the start. Unfortunately, from England's position, the ideal has not been achieved.

er four went through harmlessly past the off stump.

Now, Caddick howled to Blewett. The first ball was pushed back defensively, the second flew wide down the leg side, the third went even wider down the off side, the fourth was short and wide of the off stump and Blewett ran it down to third man for four.

The last two went harmlessly wide of the off stump and Blewett did not have to play at either of them.

The obvious truth is that you are not going to get a batsman out if he does not have to play at the ball and this sad pattern continued until tea. Another wicket then would have

changed the whole situation. Contrast this with the bowling of Glenn McGrath or Jason Gillespie when they have got England in a corner.

The batsman is given no respite whatever. He seldom gets the chance to play no stroke and hardly ever is given a ball he can hit for four. There is a far greater and more impressive discipline about the Australians in all departments of the game. This is one of the main reasons why England are 2-1 down in the series and Australia are almost certain to retain the Ashes.

Aussies given escape route

HENRY BLOFELD

One of the main differences between England and Australia was perfectly illustrated late in the afternoon at Trent Bridge. Andy Caddick produced a beauty to Mark Taylor which swerved in late and knocked him off stump out of the ground.

Australia were then 160 for 2 and there were still 25 minutes to go before tea. There were two new batsmen, Greg Blewett and Mark Waugh, at the crease and the ball which had been changed five overs before when the old one went out of shape, began to swing and bounce.

For five or six overs before the interval, Devon Malcolm and Caddick, who were bowling in tandem, should have been at Blewett and Waugh's throats. For the first time in the day the Aussies were under a little bit of pressure.

Caddick heat. Waugh outside the off stump with his first two balls before being driven beautifully through the covers off the third. Then it was Malcolm's turn after a leg byes had taken Waugh down to his end. Waugh only had to play one ball in the next over, one hit him high on the thigh and the other

attack for a while but when he lost Tim Hancock, another victim for Rose, it triggered an alarming collapse.

Gloucestershire then lost Monte Lynch and Windows in three balls. Lynch's was an unlucky dismissal, to be appealed to chop a yorker length ball from Rose on to his boot, whence it rebounded to his stumps.

The fears about Mushtaq were confirmed when he did Windows with his googly. Fortunately for Gloucestershire the captain, Mark Alleyne, and the Australian, Sharron Young, were still in the field to save the close.

Derbyshire have quashed a £1,500 fine imposed on the former captain Kim Barnett for comments he made following the departure of Dean Jones.

Appropriately, given the soggy conditions, everything went swimmingly for Gloucestershire while Tony Wright and Matt Windows compiled 61 runs, the county's highest opening partnership of the season and only the second time the first wicket had realised 50 or more runs this year.

Then disaster. Graham Rose tempted Wright, he nibbled and went, caught behind for 30. Windows kept out the Somersets.

The clouds over the County Ground have not been confined to the skies. Gloucestershire, eager to regain the leadership of the County Championship, had to wait to see which time tripping down the windows when rain washed out the first day.

The weather relented yesterday, but when they were shown the pitch that Somersets had decided to use Gloucestershire were understandably unhappy. It was the same one that had been used for the tour match against the Australians at the weekend. Although only 166 overs had been possible, there were areas of rough which were conveniently suited to a leg spinner and worry any batsman.

Since Somersets have one of the best leggies in the world in Mushtaq Ahmed, Gloucestershire's reluctance to tackle him

LEWIS TAYLOR

LUCKY
New Single - Out Now
'Brilliant' Independent
'A Major Talent' Mojo
Taken from the album 'Lewis Taylor'



Australia's Greg Blewett square cuts Robert Croft at Trent Bridge yesterday

Photograph: David Ashdown

Ramprakash in sparkling form again

Round-up

Mark Ramprakash, overlooked for the fifth Ashes Test, made 190, leading his Middlesex side from the front yesterday in their Championship match with Hampshire at Lord's. He shared in a fourth-wicket partnership of 185 in 51 overs with Owais Shah as Middlesex amassed 442 for 8 before Ramprakash declared. Hampshire were 69 for 2 at stumps.

Ramprakash, 99 not out overnight, needed only two deliveries to complete his century. It came off 199 balls, included 18 fours and was his fifth of the season, his fourth in the Championship and second in successive innings.

Tom Moody, Worcestershire's captain, must have feared he would come to regret his decision to bat on after lunch against Northamptonshire, but an excellent catch off his head by Gavin Haynes to dismiss Alan Fordham eight overs from the close and the quick demise of the nightwatchman Scott Bowell provided an unexpected twist in his side's favour at Northampton.

The home side ended on 203 for 3, still 194 runs shy of avoiding the follow-on. Having conceded a 500-plus score for the second home game in succession, Northamptonshire appeared in an imminent danger when Russell Warren and Fordham were making comfortable progress after David Roberts was dismissed for 40. Then Fordham and Bowell fell.

Earlier Phil Weston, who began the day on 196 not out,

laboured for 40 further deliveries to reach his first double century. He was out mis-timing a pull off Kevin Curran.

CRICKET SCOREBOARD

Britannic Assurance County Championship	
Second day of tour: 11.00 today	
Kent v Essex	
EDGBASTON: Essex (2ptd), with five first-wicket wickets standing, are 443 runs behind Kent (0ptd).	
Kent won toss	
EDGBASTON: Kent (203 for 4)	
A P Wells c S G Law b Iain ... 109	
M A Salman lbw b Such ... 55	
J M Fleming c & b D M ... 47	
18 A Alayne, R. R. R. G. ... 47	
P A Strang c Roffe b D R Law ... 55	
M J McCague not out ... 7	
Extras (b1, lb5, w5, nb4) ... 16	
Total (for 5 dec, 362.20 overs) ... 303	
Fall (contd): 5-21.3, 6-34.2, 7-42.4, 8-51.6, 9-52.5.	
Did not bat: J B D Thompson.	
Scored 126, owing to 6. for 6.	
18 A Alayne, R. R. R. G. ... 101	
28-5-50.2; Andrew 23-7-87.1; S G Law 18-7-49.0; D R Law 25-3-77.2; Such 26-5-117.2; Grayson 9-1-44.1.	
ESSEX - First Innings	
3 D P Oster c M Goss b ... 20	
T P Hodgson c Ward b ... 20	
S G Wells c Ward b McCague ... 2	
R C Irani not out ... 2	
A P Goss not out ... 2	
Extras (b1, lb5, w5, nb4) ... 9	
Total (for 5 dec, 362.20 overs) ... 303	
Fall (contd): 5-21.3, 6-34.2, 7-42.4, 8-51.6, 9-52.5.	
Did not bat: J B D Thompson.	
Scored 126, owing to 6. for 6.	
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Gloucestershire - First Innings	
3 D P Oster c M Goss b ... 20	
T P Hodgson c Ward b ... 20	
S G Wells c Ward b McCague ... 2	
R C Irani not out ... 2	
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Hampshire - First Innings	
3 D P Oster c M Goss b ... 20	
T P Hodgson c Ward b ... 20	
S G Wells c Ward b McCague ... 2	
R C Irani not out ... 2	
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Northamptonshire - First Innings	
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Leicestershire - First Innings	
3 D P Oster c M Goss b ... 20	
T P Hodgson c Ward b ... 20	
S G Wells c Ward b McCague ... 2	
R C Irani not out ... 2	
A P Goss not out ... 2	
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28-5-50.2; Andrew 23-7-87.1; S G Law 18-7-49.0; D R Law 25-3-77.2; Such 26-5-117.2; Grayson 9-1-44.1.	
Gloucestershire - Second Innings	
3 D P Oster c M Goss b ... 20	
T P Hodgson c Ward b ... 20	
S G Wells c Ward b McCague ... 2	
R C Irani not out ... 2	
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Warwickshire - Second Innings	
3 D P Oster c M Goss b ... 20	
T P Hodgson c Ward b ... 20	
S G Wells c Ward b McCague ... 2	
R C Irani not out ... 2	
A P Goss not out ... 2	
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Yorks - First Innings	
3 D P Oster c M Goss b ... 20	
T P Hodgson c Ward b ... 20	
S G Wells c Ward b McCague ... 2	
R C Irani not out ... 2	
A P Goss not out ... 2	
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BEYOND THE PREMIERSHIP: Pierre Van Hooijdonk is aiming to help his new club back into the top flight and the Dutch team into the World Cup final. Phil Shaw spoke to him and, below, sets the scene for the three divisions of the Nationwide League

Van the man to fan Forest's promotion fires

Fifty thousand Celtic supporters once proclaimed Pierre van Hooijdonk's uniqueness in song. Now it is confirmed, Nottingham Forest's towering Dutchman is the only player preparing to start the season against Port Vale Burslem with realistic hopes of finishing it against Brazil in Paris.

From one of the First Division's less salubrious settings, the World Cup final: some might call it a journey from the ridiculous to the divine. Van Hooijdonk, stalked by image problems over the past year, chooses his words more carefully.

With a handful of arguable exceptions – Ravanello, Kinkladze, Merson and Sinclair – the 27-year-old striker is the biggest star in the Football League firmament.

Yet he is anxious not to be seen as arrogant, one of the more polite tags he abhors during the dispute with Celtic that led to his £3.5m defection to Forest in March. He had allegedly said that the £7,000 a week the Glasgow club were offering was "all very well for the homeless but not for an international footballer".

Van Hooijdonk claims he was "set up" by a reporter and never mentioned the homeless. Some mud invariably sticks, however, which may explain why, after stressing that he intends to spend no more than one season outside the Premiership, he says that this is a declaration of ambition on Forest's behalf rather than a prima donna's ultimatum.

As with many players for whom English is not the first language, the nuances of his conversation are open to misinterpretation, wilful or otherwise. It does not take a cynic to see, for instance, how his self-effacing assessment of his role as perpetual substitute for the Netherlands could be portrayed as gross vanity.

"I can't believe I'm not in the starting line-up," he says, sulfering. "It's not as if our strikers are the best." Then comes the

and the punchline: "We only have Kluivert and Bergkamp." When I mention that tomorrow's opponents, Port Vale, have several of his compatriots in their squad, he wonders whether they will consider him if he does not recognise and address them in Dutch. But if modesty and sensitivity are not attributes one automatically associates with Van Hooijdonk, he leaves them behind when he goes to work.

On the pitch, he projects a self-confidence which is hard to

'I can't believe I'm not in the Dutch starting line-up. We only have Kluivert and Bergkamp'



distinguish from arrogance. Indeed, when he first arrived from NAC Breda two and a half years ago, his bravado was exactly what Celtic needed after so long in the shadow of Rangers.

He scored on his debut and in his first Old Firm game. After heading the goal in the 1995 Scottish Cup final that ended Celtic's six years without a trophy, he hit another 22 in his only full campaign. "There's only one Pierre," the green hordes swooned.

"I had a fantastic relationship with the fans and received lots of kind letters after I left," Van Hooijdonk recalls. "But very

early on there were contract problems. At first it didn't worry me because I was playing regularly and doing the business."

The souring of the affair, centring on his insistence that Celtic had reneged on an agreement to pay him more if he topped 20 goals, led eventually to his being dropped. "I didn't play for several weeks and I asked the manager [Tommy Burns] if there would be changes in the near future. The answer was no."

"There were two World Cup matches coming up, against San Marino and Turkey. In my position in the Dutch squad, which is usually as a substitute to try and force things late in a game, I couldn't afford to miss them."

"My big target is to get to the finals and when Forest came in it was a chance to play in the Premier League. I explained to Guus Hiddink [the Dutch coach] that I wasn't playing. He didn't say it in so many words, but I needed to be playing."

With Forest struggling to stay up amid uncertainty over whether Stuart Pearce or Dave Bassett was actually manager, the words "frying pan" and "fire" sprung to mind. Van Hooijdonk netted once in nine games and his new team finished bottom.

Contrary to some perceptions, he neither had nor sought an escape clause. He had harboured a desire to play in England since he watched Tottenham win the FA Cup in 1981 on television before changing out in his Spurs shirt ("the Coq Sportif one") to kick a ball around.

"The game here is very open and boisterous, much better for strikers. In Italy the priority is not to lose. The climate and lifestyle of France or Spain appealed to me but this is the place to play."

But better than Scotland? "Football there is very fast," he says, searching for a diplomatic form of words, "but fast isn't always good." There was too much emphasis on gaining ground – "like rugby" – and it was unhealthy that two clubs might meet six or seven times in a season.

Pierre van Hooijdonk in training at Nottingham Forest's City Ground earlier this week

But isn't he the most British of Dutch players? "It annoys me when people say that," comes the retort, softened with a smile. "They see my height [of 4in] and stereotype me as a target man. I feel I'm more technical than that."

His volleying is, to take one example, stronger than his heading. The problem is persuading others to recognise it. "My first few weeks at Forest were the same as when I joined Celtic. My team-mates were hitting high balls. In fact I like to get involved in the build-up.

I get a similar sensation making a goal as scoring."

"Anyway, there's more to football here than the physical side. Who were the best players last season? Zola, Juventus and Beckham. Not big."

The extent to which Van Hooijdonk's self-analysis fits in with the requirements of Bassett, who is famous for route-one football, will be revealing.

As for the City Ground faithful, they must trust that he emulates another attacker with attitude, Stan Collymore, rather than Bryan Roy.

Both were to leave in acrimonious circumstances. But whereas Collymore's marksmanship took Forest back up in 1994, Roy flattered to deceive before flouncing off to Berlin deriding Nottingham as a cultural desert populated by narrow-minded people.

"It's too easy for people to bracket me with Bryan because we're both Dutch," Van Hooijdonk says. "I'm a different type of person. I'll make up my own mind. I believe that if you want to make something work, you will."

After life in the goldfish bowl of Glasgow (where a Celtic player once remarked that half the city hate you while the other half think they own you), Van Hooijdonk is hopeful that the gender pace of the East Midlands can bring out the best in him.

Van Hooijdonk can reel off each of his eight internationals (four goals) and the number of minutes he played: 14 in Wales, 24 in Turkey and so on. Before his most recent cameo, 21 minutes in South Africa, the Dutch trained in searing heat for the match to be staged in freezing temperatures.

The contrasts promise to be equally extreme as Van Hooijdonk alternates between Forest duty against the likes of Bury and Stockport and the World Cup. All the more so if his Parisian fantasy becomes a reality.

Photograph: David Ashdown

Fierce competition in the land of the fallen giants

The Premiership may have a claim, albeit tenuous given the dearth of genuine championship contenders, to being the best league in the world. Whether it will be as fiercely competitive as the First Division this season must be doubtful.

The Nationwide League's elite corps is, more than ever, a melting pot of fallen giants, desperate to get in on the television, ticket and merchandising bonanza of the top flight, and upstarts whose natural habitat has tended to be among the Torquays and Halifaxs.

In the circumstances, the promotion race ought to be a

carve-up between the haves. Recent history, in the shape of Bolton and Barnsley, and before them a cheaply constructed Sunderland, happily suggests that the have-nots, comparatively speaking, are in with a shout.

Like Bolton's romp to the title, the yo-yo fortunes of Crystal Palace and Leicester demonstrate that the demoted teams have a strong chance of being involved in the shake-up next spring. Encouraging as that may be to Middlesbrough, however, such clubs have usually held on to their best players.

Boro, having replaced Juninho with Paul Merson, may feel that a squad which reached two Wembley finals should be good enough to bounce back up. But uncertainty over the commitment of Fabrizio Ravanello and other major earners casts a cloud over the Riverside.

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Frank Clark, in charge at Forest until December, effected a heartening recovery at Manchester City. Georgi Kins-

kladze is still there, crucially, and in the likes of Lee Bradbury, Clark's goalscoring ex-squidder from Portsmouth, the supporting cast looks considerably improved.

Pompey, meanwhile, are trusting in Terry Venables' Australian connections to offset such sales, a strategy with no obvious precedent for success.

Wolves, too, have been conspicuous by their inactivity in the transfer market, with Steve Sedgley and Mixu Paatelainen the only buys.

The chest-beating of Wolves'

owner, Sir Jack Hayward, after their play-off defeat was understandable, if a trifle over the top. In the context of a staggering run of injuries, third place was commendable. Moreover, Mark McGhee did his best work on a tight budget at Reading.

Queen's Park Rangers have not only held on to Trevor Sinclair but acquired a proven 20-goal man, Mike Sherron, for £2.5m from Stoke. Rangers still look frail defensively, surprisingly for a side coached by Stewart Houston and Bruce Rioch, but should be fun to watch.

By bringing Brian Deane home from Leeds, Sheffield United found the ideal antidote to the gloom over Howard Kendall's walk-out. A sound managerial appointment – Lou Macari? – should find them pressing into the play-off zone again.

It is less easy to be optimistic about Ipswich, where George Burley is again having to wheel and deal.

No Birmingham appear any more likely to make the breakthrough. After the re-volving-door policy of the Barry Era, Trevor Francis has not been able to bring in enough of the better-quality players demanded by David Sullivan and his co-owners.

The chances of anyone doing a Barnsley must, in truth, be slender. Crewe and Port Vale espouse similar values but do not have the strength in depth. Stoke, who have a new manager in Chic Bates, a new ground and a useful replacement for Sheron in Peter Thorne, from Swindon, may be a better bet.

Bradford City, where Chris Kamara rebuilt a prematurely promoted team just in time to stave off the drop in May, may be a surprise packet if they can sustain the momentum.

Waddle's management test

Chris Waddle has long been tipped as management material. West Bromwich wanted him last year and Sheffield United toyed with the idea this summer, yet it is Burnley who have provided the platform for him to prove he has the organisational craft to complement his class and charisma.

Intriguingly, the former England, Tottenham and Marseilles maverick's first moves were to spend £275,000 on a midfield snapper, Leeds' Mark Ford, and decree that the object of football was "to stop the other team playing". Burnley, just out of the frame under Adrian Heath, will settle for a few compromised ideals if Waddle, who is to continue playing, can inspire them to promotion.

Their principal challengers are likely to include two Lancashire neighbours who have reached the Second Division by different routes. Oldham, who

were relegated, may be relying too heavily on Neil Warnock's reputation for getting sides up on a shoestring.

In contrast, promoted Wigan have the impetus, on and off the pitch, to maintain upward mobility.

John Deegan's Third Division champions were outscored only by Bolton in the entire League. Graeme Jones bagged 33. He should thrive on the service from David Lee, an old-fashioned winger bought from Bolton, and the club's owner, Dave Whelan, is ready to bankroll further strengthening.

Fresh finance, from that died-in-the-wool Hammersmith Entertainer, Mohammad Al Fayed, also gives Fulham a fighting chance of emulating Burnley's surge from Third to First. John Sillett, when manager of Coventry, famously pledged to "shop at

Harrod's" for players. It will be fascinating to observe whether the owner of the so-called top people's store allows Micky Adams to do likewise.

The prospects for nearby Brentford hinge on who succeeds Dave Webb after this week's bizarrely timed resignation.

The other play-off losers, Luton and Bristol City, look more likely to set the pace. They should be joined by relegated Grimsby, where Alan Buckley has something to prove after his stint at West Brom, plus £1.5m from the sale of John Oster to Everton with which to do it.

Chesterfield came within 20 minutes of the FA Cup final in April. Such feats are often the springboard for League success but, far from building on them, John Duncan has lost his best players, Kevin Davies and Sean

Dycbe, to Southampton and Bristol City respectively. Making the play-offs would be as great an achievement as reaching the semi-finals.

Blackpool, having had consecutive near-misses under different managers, should challenge again under the newly-appointed Nigel Worthington.

Preston have stabilised at the higher level and, like Burnley, can count on no substantial support if they show signs of being in contention.

Millwall, where Billy Bonds has resurfaced as manager, used time to regroup after their near demise. They should be enough to avoid the dogfight at the bottom, which may be more than can be said for Bournemouth, Carlisle, York and Northampton. However, the way Bury mocked the bookies and pundits last season offers hope to all.

Even in the bottom section, where the 24 clubs have invested an average of £20,000 on players this summer, the word "potential" is recited like a mantra.

Mark Hateley, the new player-manager of Hull City, is one of the few who can put his money where his mouth is.

Hull's status as the biggest English club never to have had a top-grade team is one of the game's tidiest clichés. Hateley, installed by a consortium headed by David Lloyd, Britain's tennis captain, will be the first in command in three decades with the financial clout to build a new stadium – must have drawn envious glances in another large coastal conurbation.

Scandalously, Brighton have squandered the momentum built up during their escape from the clutches of the Vauxhall Conference. Their followers have en-

joyed a summer of fear (over possible expulsion from the League) and loathing (towards Bill Archer, who inexplicably remains as chairman). With no new signings and home matches at Gillingham, a round trip of 140 miles, Steve Gritt must pull off an even greater achievement than survival if Brighton are to be anything but also-rans.

Jan Molby, whose Swans

side were beaten play-off finalists, also had his hands tied on transferred takeover. Having lost three stalwarts, he will do well to justify the Swans' status as joint favourites.

That distinction is shared by rivals Cardiff, another club who have traded on potential too long. The £85,000 spent on Bristol City's Kevin Nugent

and Swansea's David Penney should increase scoring power sufficiently to improve on last season's play-off failure.

The relegated trio of Notts County, Shrewsbury and Peterborough (where Barry Fry, amazingly, is £150,000 up on a mere £13 deal) are also equipped to challenge. Chester, who have bought back Gary Bennett, should be thereabouts, along with Leyton Orient, where Tommy Taylor has made some useful buys, and Lincoln, who may be pretty effective if not pretty under John Beck.

Sammy McIlroy's positive values should enable Macclesfield to prevent a lack of resources from sabotaging their inaugural campaign. In the danger zone, the usual suspects – Doncaster, Hartlepool, Darlington, Exeter and Torquay – are likely to be joined by Barnet and Mansfield.

United to screen home matches live at Bury

Manchester United have asked the Premier League for permission to beam live home matches to a big screen at Bury's Gigg Lane ground.

The Premiership champions are keen to give the thousands of supporters who cannot get tickets for games at their 55,000-capacity Old Trafford another option to see the action as it happens.

United have applied to the Premier League for permission to beam live home matches to a big screen at Bury's Gigg Lane ground.

The plan is to set the screen up at one end of the ground and we estimate a maximum of 7,000 fans will be able to watch.

United spokesman Ken Ramsden said.

"We have asked the Premier League for permission and we hope there will be no objections.

The only problem we can see is from clubs who are playing on the same day, but we would then ask why fans of other clubs would want to pay to watch us on a big screen at Gigg Lane.

"We are looking to set it up for our first five home games, beginning with Southampton next Wednesday. We will then review the situation and, if it proves to be a success, then we

may look to extend it further.

Reading have paid a club record fee of £500,000 for 24-year-old Brentford striker Carl Asaba. It takes the First Division club's spending on new players to £1.5m in 10 days following the signing of Linvoy Primus and Lee Hodges from Barnet. Asaba scored 26 goals in 67 appearances for Brentford and two in 12 games on loan at Colchester.

IT'S A ROLLOVER!

Draw date: 6/8/97. The winning numbers: 3, 5, 6, 20, 45, 49. Bonus number: 33. Total Sales: £27,614,793 (45% of ticket sales plus £868,315 Superdrift funding).

CATEGORY	NO. OF WINNERS	AMOUNT FOR EACH WINNER	TOTAL EACH TIER
Match 2 (Jackpot)	0</td		

Gunnell waves her final goodbye

Mike Rowbottom
in Athens on the
retirement of two
great Britons

Sally Gunnell, Britain's most successful female athlete of all time, yesterday announced her retirement from the sport.

The 31-year-old British team captain, who pulled out of the World Championships here on Wednesday because of injury, took her decision during a phone call with her husband, Jon Bigg, on Wednesday night.

Her statement followed Tessa Sanderson's confirmation that, having failed to qualify for Saturday's javelin final, she was ending her career at the age of 41.

Thus, in the space of three hours, British athletics had said goodbye to two of its greatest female competitors.

Gunnell – who in 1994 held a grand slam of Olympic, world, Commonwealth and European titles – said she simply cannot face going on after three consecutive years of injury problems.

She was unable to defend her world 400 metres hurdles title in 1995, and was carried from the Olympic track in tears last year after breaking down in her semi-final.

"I always said after Atlanta, didn't I, that if I was injured any more I would call it a day. The luck had run out," she said yesterday, her left calf heavily strapped.

"When I spoke to Jon, I had made my mind up before I put down the phone. He's always said the decision was up to me and he would support me whatever I did. But I think he felt he couldn't go through it one more time."

"When I first told him I had got another injury, he was very frustrated. He was the one who was swearing, and saying he couldn't believe it had happened to me again."



Sally Gunnell announces her retirement yesterday: 'In some ways I feel a little bit of relief'

Photograph: Mike Egerton/Empics

Having won her opening 400m hurdles heat in 54.54sec, her best time of the year, Gunnell became aware of a problem in her left calf. "I thought as I walked off, 'What's going on here? I don't deserve this.'

"In some ways now I feel a little bit of relief. Everyone has been asking me when I was going to call it a day, and I worried whether it would be obvious to me. But it's time to call it a day."

"I slept off my decision overnight because I wanted to make sure I wasn't going to turn

round in six months' time and say, 'Oh, hi everybody, I'm going to come back.'

"In the bar the other night, Steve Smith and Alison Curbishley and some of the others were saying, 'You can't retire. You've got to come with us to the Commonwealths and Europeans next year.'

Unlike Linford Christie, she will not continue to compete in club athletics after putting an end to her international career. "No," she said. "End of story. The thought of going out and doing another winter's training after this... I couldn't do it."

Gunnell hopes to be fit in time for farewell appearances

at Crystal Palace on 17 August and Gateshead on 7 September.

After that, Gunnell will have other things on her mind. "The pressure's all on Jon now," she said with a grin. "He's got to support me and get me pregnant."

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Gunnell was equally

adamant that she would not be tempted to prolong a career which has earned her Olympic and Commonwealth titles. The suggestion that she might try to improve on her record of being first British Olympian to appear in six Games brought a gust of laughter.

"That's it," she said. "That's the end of it."

Her effort of 57.84m missed qualifying by just over three metres. "When I picked up the javelin for my last throw, I felt really choked, but I didn't want

to cry. When I saw the British supporters afterwards, and they were still saying well done and thanks for everything, that's when I felt tearful."

Her mood was altered when she was called for a routine doping test – the last of a 23-year international career. Characteristically, she was able to see the fun of it.

"I thought, 'Give me a break. I'm 41 years old – where am I running to?' Even when I sat on the toilet I was thinking, 'Here we go. One last dip'."

Naked ambition runs wild in the country

Australian Rules

After the order to strip was given – except for hoots and socks – the players did a lap of the ground and a 10-minute ball drill.

Schiltz said the players were starting to enjoy themselves. "I actually had to tell them to get their gear back on," he said.

The only witness to the scene was the team's female trainer, who remained fully clothed while she took stock of the committee boat.

With the flooding tide pushing him harder on, it took over three minutes to disentangle and over four to recross the line, take a penalty turn and set off in pursuit of the other 20 yachts making up the seven, three-boat national teams, streaming more

Law frustrated by Indulgence farce

Sailing

STUART ALEXANDER

Chris Law was incandescent with rage at the start of what was described as a short offshore race in the Admiral's Cup yesterday.

The skipper of Britain's big boat, Graham Walker's Corum Indulgence, was going for a spot at the outer end of the line, misjudged the angle and hooked his keel into the anchor line of the committee boat.

With the flooding tide pushing him harder on, it took over three minutes to disentangle and over four to recross the line, take a penalty turn and set off in pursuit of the other 20 yachts making up the seven, three-boat

national teams, leading to a situation more reminiscent of the last three America's Cups.

After much confusion, Tim Louis and Kit Hobday did everything to add the New York Yacht Club Challenge Trophy to the Britannia Cup won the day before with their 41-footer Independent Bear. But unhappy were the XOD boat sailors for the fifth time in six days they had

slumped from a high of second to an unhappy sixth.

The United States still lead, chased by New Zealand. Relations between the two on the water are competitive, off it is increasingly acrimonious. Disagreements over rule interpre-

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